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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)*

## **Deferral of CIC Payment Obligations**

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).

Reference is made to the announcement of the Company dated February 19, 2020 (the “**Announcement**”). Capitalized terms used herein, unless otherwise defined, shall have the same meaning as those defined in the Announcement. On June 19, 2020, the Company and CIC have entered into an agreement (the “**2020 June Deferral Agreement**”) pursuant to which CIC agreed to grant the Company a deferral of cash interest and deferral fees of approximately USD \$74 million (the “**2020 June Deferral Amount**”) which is due and payable to CIC in June 2020 under the deferral agreements between CIC and the Company signed in April 2019 and during the period between February to May 2020 (the “**Prior Deferral Agreements**”). The effectiveness of the 2020 June Deferral Agreement is subject to the Company obtaining the requisite acceptance thereof from the Toronto Stock Exchange.

The terms of the 2020 June Deferral Agreement are substantially similar to the terms of the 2020 February Deferral Agreement. The principal terms of the 2020 June Deferral Agreement are as follows:

- Payment of the 2020 June Deferral Amount will be deferred until September 14, 2020.

*\* For identification purposes only*

- As consideration for the deferral of the 2020 June Deferral Amount, the Company agreed to pay CIC a deferral fee equal to 6.4% per annum on the 2020 June Deferral Amounts.
- The Company agreed to provide CIC with monthly updates regarding its operational and financial affairs.
- The Company agreed to comply with all of its obligations under the Prior Deferral Agreements.
- The Company and CIC agreed that nothing in the 2020 June Deferral Agreement prejudices CIC's rights to pursue any of its remedies at any time pursuant to the Prior Deferral Agreements.

The Company anticipates that it will not be able to repay the 2020 June Deferral Amount in full on or prior to September 14, 2020, the Company and CIC have agreed to discuss a repayment schedule in relation to the unpaid portion of the 2020 June Deferral Amount as of September 14, 2020. There can be no assurance, however, that a favourable outcome will be reached either at all or on favourable terms. The Company will make further announcements with respect to these discussions as and when appropriate.

For and on behalf of  
**SouthGobi Resources Ltd.**  
**Mao Sun**  
*Lead Director*

Vancouver, June 19, 2020

Hong Kong, June 19, 2020

*As at the date of this announcement, the executive director of the Company is Mr. Dalanguerban; the independent non-executive directors are Messrs. Yingbin Ian He, Mao Sun and Ms. Jin Lan Quan; and the non-executive directors are Messrs. Jianmin Bao, Zhiwei Chen, Xiaoxiao Li and Ben Niu.*

## **Forward-Looking Statements**

Certain information included in this press 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 information about discussions with CIC regarding a deferral of certain payments. 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 TSX accepting the Company’s notice application in respect of the 2020 June Deferral Agreement, the Company’s ability to successfully negotiate a repayment schedule in respect of the portion of the June 2020 Deferral Amounts which is not repaid prior to September 14, 2020 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 not to 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](http://www.sedar.com).