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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)

**(1) UPDATE ON DELAY IN PUBLICATION OF  
2019 AUDITED ANNUAL RESULTS AND DESPATCH OF  
2019 ANNUAL REPORT**

**(2) UPDATE ON DELAY IN PUBLICATION OF Q1 AND Q2  
2020 FINANCIAL RESULTS**

**(3) BUSINESS UPDATE**

Reference is made to the announcements of SouthGobi Resources Ltd. (the “**Company**”) dated June 21, 2020, June 30, 2020 and July 24, 2020 (collectively, the “**Announcements**”) in relation to the delay in publication of the 2019 Audited Annual Results and the despatch of the 2019 Annual Report. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as that ascribed to them in the Announcements.

**Delay in Publication of 2019 Audited Annual Results and Despatch of 2019 Annual Report**

In its announcement dated July 24, 2020, the Company disclosed that it expected to be in a position to issue its 2019 Audited Annual Results and 2019 Annual Report by August 14, 2020, provided the following assumptions hold true: (i) the Company concludes written settlement agreements with each of the key creditors that has provided a verbal commitment to the Company to do so on or before July 30, 2020; and (ii) the Company and its major shareholder conclude an agreement on an avenue of support for the Company that the Auditors consider as acceptable evidence to support the Company’s going concern assumptions.

As of the date hereof, the Company has not entered into a written settlement agreement with one of the aforementioned key creditors and has not reached an agreement with its major shareholder in

\* For identification purposes only

relation to an avenue of support that is acceptable to the Auditors. Accordingly, the Company will be unable to issue the 2019 Audited Annual Results and 2019 Annual Report by August 14, 2020 as previously anticipated.

The Company continues to work closely with the Auditors and provide them with audit evidence to support the going concern assumptions for the Company's 2019 Financial Statements in order to issue the 2019 Audited Annual Results at the earliest possible date.

### **Delay in Publication of 2020 Q1 Financial Results**

The filing deadline for the Company's 2020 Q1 financial results for the quarter ended March 31, 2020 ("**2020 Q1 Financial Results**") was May 15, 2020 as required under applicable Canadian securities laws. However, the Company cannot issue its 2020 Q1 Financial Results until it first issues its 2019 Audited Annual Results. Currently, the 2020 Q1 Financial Results have not been reviewed by the Auditors. If and when the 2019 Audited Annual Results are issued, the Company expects that it will take approximately 30 days from the date of issuance of the 2019 Audited Annual Results for the Auditors to complete the review of, and the Company to issue, the 2020 Q1 Financial Results.

### **Delay in Publication of 2020 Q2 Financial Results**

The filing deadline for the Company's 2020 Q2 financial results for the quarter ended June 30, 2020 ("**2020 Q2 Financial Results**") is August 14, 2020 as required under applicable Canadian securities laws and is August 31, 2020 as required under Hong Kong Listing Rules respectively. However, the Company cannot issue its 2020 Q2 Financial Results until it first issues its 2019 Audited Annual Results. Currently, the 2020 Q2 Financial Results have not been finalized and have not been reviewed by the Auditors. If and when the 2019 Audited Annual Results and the 2020 Q1 Financial Results are released, the Company expects that it will take approximately 30 days from the date of issuance of the 2020 Q1 Financial Results for the Auditors to complete the review of, and the Company to issue, the 2020 Q2 Financial Results.

### **Cease Trade Order**

The BCSC issued the CTO against the Company on June 19, 2020 as a result of the Company's failure to file the Company's 2019 Financial Statements and 2020 Q1 interim financial statements, and the related management's discussion and analysis and management certifications related thereto. The Company expects the CTO will remain in place until such time as the Company's 2019 Financial Statements, 2020 Q1 interim financial statements and 2020 Q2 interim financial statements are filed.

The Company continues to work closely with the Auditors to provide them with audit evidence to support the going concern assumptions for the Company's 2019 Financial Statements, and to issue the 2019 Audited Annual Results, 2020 Q1 Financial Results 2020 Q2 Financial Results at the earliest possible dates.

### **Business Update**

The Company's sales volume in July 2020 was approximately 0.25 million tonne, representing a 16% increase from sales volume in June 2020. The Company has resumed the mining operation since August 2, 2020.

**DUE TO THE AFOREMENTIONED DELAY IN PUBLICATION OF 2019 AUDITED ANNUAL RESULTS, THE COMPANY WILL APPLY FOR A TRADING SUSPENSION FROM THE HONG KONG STOCK EXCHANGE, EFFECTIVE FROM 9AM ON AUGUST 17, 2020, PENDING FOR PUBLICATION OF 2019 AUDITED ANNUAL RESULTS.**

**SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE COMPANY'S SHARES OR OTHER SECURITIES OF THE COMPANY.**

The Company will make further announcement(s) in relation to the above matters, as and when appropriate. 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, August 12, 2020

Hong Kong, August 12, 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.*