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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)

RESUMPTION PLAN AND BUSINESS UPDATE

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 announcements of the Company dated September 3, September 13, September 30 and October 4, 2020 (the “**Announcements**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements.

This announcement provides a quarterly update on resumption progress and the update on the business operations of the Company.

RESUMPTION GUIDANCE

On September 2 and September 30, 2020, the Company received the letters from the Hong Kong Stock Exchange setting out the Resumption Guidance of the Company:

- publish all outstanding financial results and address any audit modifications;
- inform the market of all material information for the Company’s shareholders and investors to appraise its position;
- announce quarterly updates on the Company’s developments under Rules 13.24A of the Listing Rules, including, amongst other relevant matters, its business operations, its resumption plan and the progress of implementation; and

* For identification purposes only

- resolve issues arising from the Cease Trade Order and/or the TSX Delisting Review, or take steps to the satisfaction of the Hong Kong Stock Exchange that the Company will be eligible for a primary listing on the Hong Kong Stock Exchange.

RESUMPTION PLAN AND PROGRESS OF IMPLEMENTATION

The Company has been taking active steps to address and comply with the Resumption Guidance as disclosed above; and is now working to complete the first key milestone in the resumption plan as outlined below:

Expected time	Key items
On or before November 30, 2020	To complete audit and publish the 2019 Audited Annual Results
On or before December 10, 2020	To dispatch the 2019 Annual Report
On or before December 31, 2020	To publish 2020 quarterly financial results for the first quarter of 2020
On or before December 31, 2020	To file an application for the CTO revocation
On or before January 7, 2021	To attend the TSX Delisting Review Hearing scheduled on January 7, 2021 or to apply for rescheduling of the TSX Delisting Review Hearing upon filing the application for the CTO revocation
On or before January 31, 2021	To publish 2020 quarterly financial results for the second quarter of 2020
On or before February 19, 2021	To publish 2020 quarterly financial results for the third quarter of 2020
On or before March 12, 2021	To publish the resumption announcement after (i) the grant of CTO revocation by BCSC, (ii) the completion of TSX Delisting Review and (iii) the approval of trading resumption by the Hong Kong Stock Exchange

UPDATE ON BUSINESS OPERATIONS

The sales volume the Company has increased from approximately 0.5 million tonne in the second quarter of 2020 to approximately 1.0 million tonne in the third quarter of 2020. The Company resumed

its mining operation on August 2, 2020 and the raw coal production volume was 0.5 million tonne in the third quarter of 2020. The Company also resumed its coal washing operation on October 18, 2020.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Hong Kong Stock Exchange has been suspended with effect from August 17, 2020 and will remain suspended until further notice.

By order of the Board
SouthGobi Resources Ltd.
Mao Sun
Lead Director

Vancouver, November 16, 2020

Hong Kong, November 16, 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 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 the completion of the audit and will be able to publish the 2019 Audited Annual Results, the dispatch of 2019 Annual Report, the publication of 2020 quarterly financial results, the filing of application for the CTO revocation. 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 completion of the audit and will be able to publish the 2019 Audited Annual Results, the dispatch of 2019 Annual Report, the publication of 2020 quarterly financial results, the filing of application for the CTO revocation. 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 the website of the Hong Kong regulatory filings and disclosures of listed issuer information. These can be found under the Company's profile on SEDAR and HKEXnews respectively, at www.sedar.com and www.hkexnews.hk.