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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)

## IMPLEMENTATION PROGRESS OF 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 November 16, 2020 and December 8, 2020 (the “**Announcements**”). Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Announcements.

### RESUMPTION GUIDANCE

As stated in the Announcements of the Company, the Hong Kong Stock Exchange has set out the Resumption Guidance for the Company as below:

- 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;

\* 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; and
- demonstrate compliance with Rule 13.24 of the Hong Kong Listing Rules.

## RESUMPTION PLAN AND PROGRESS OF IMPLEMENTATION

The Company has been taking active steps to address and comply with the requirements set out in the Resumption Guidance. The implementation status of the resumption plan is as outlined below:

Key items	Status/ Expected timetable
2019 Audited Annual Results	Completed and issued on November 26, 2020
2019 Annual Report	Completed and dispatched on December 9, 2020
2020 Q1 Financial Results	Completed and issued on December 17, 2020
2020 Q2 Financial Results	Completed and issued on December 23, 2020
2020 Q3 Financial Results	Completed and issued on January 4, 2021
Revocation of Cease Trade Order	The Company filed an application for a full revocation of the CTO with the relevant Canadian securities regulatory authorities on January 4, 2021. The Company expects to receive the Canadian securities regulatory authorities' decision to revoke the CTO on or before February 11, 2021 (Canada time)
TSX Delisting Review Hearing	The TSX Continued Listing Committee has scheduled a meeting on February 11, 2021 to consider whether or not to delist the Company's securities on the TSX. The Company expects to receive the TSX's delisting decision on or before February 16, 2021 (Canada time)
Application for HKEX trading resumption	The Company will submit an application to HKEX upon the revocation of the CTO and completion of the TSX Delisting Review process.

## BUSINESS UPDATE

The Company produced approximately 0.9 million tonne of coal in the fourth quarter of 2020, representing a 71% increase from the third quarter of 2020. The Company sold approximately 0.9

million tonne of coal in the fourth quarter of 2020, which is similar to the sales volume for the third quarter of 2020.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the common shares of the Company on the Toronto Stock Exchange and the Hong Kong Stock Exchange has been suspended since June 19, 2020 and August 17, 2020 respectively and will remain suspended until further notice.

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

Vancouver, January 8, 2021

Hong Kong, January 8, 2021

*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, Ben Niu and Ms. Ka Lee Ku.*

## **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 revocation of CTO, the TSX Delisting Review Hearing and the application of HKEX trading resumption. 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 revocation of CTO, the TSX Delisting Review Hearing and the application of HKEX trading resumption 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](http://www.sedar.com) and [www.hkexnews.hk](http://www.hkexnews.hk).