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*(A company continued under the laws of British Columbia, Canada with limited liability)*  
(Hong Kong Stock Code: 1878)  
(TSX Venture Exchange Stock Code: SGQ)

## **POSITIVE PROFIT ALERT**

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).

The Company wishes to inform the shareholders of the Company and potential investors that, based on the Company’s preliminary assessment of the unaudited management accounts of the Company for the quarter ended 31 March 2023 and the information currently available to the Company, it is expected that the Company would record a net profit within the range of USD 5 million to USD 9 million for the quarter ended 31 March 2023, as compared to a net loss of USD 10.8 million for the corresponding period in 2022. The expected increase in net profit is mainly attributed to the increase in coal prices and coal sales volume during the first quarter of 2023.

As at the date of this announcement, the Company is still preparing and finalizing its quarterly results for the quarter ended 31 March 2023. The information contained in this announcement is based on the preliminary assessment of the information currently available to the Company and the unaudited management accounts, which have not been audited by the Company’s auditors and is subject to further adjustments. Details of the Company’s financial information and performance will be disclosed in the 2023 first quarter results announcement of the Company and is expected to be published on 19 May 2023.

*\* For identification purposes only*

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

By order of the Board  
**SouthGobi Resources Ltd.**

**Mao Sun**  
*Lead Director*

Vancouver, May 7, 2023

Hong Kong, May 8, 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Dong Wang, Ms. Chonglin Zhu and Mr. Chen Shen; the independent non-executive directors of the Company are Mr. Yingbin Ian He, Mr. Mao Sun and Ms. Jin Lan Quan; and the non-executive directors of the Company are Mr. Zhu Gao and Mr. Gang Li.*