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**SouthGobi  
Resources**  
**SOUTHGOBI RESOURCES LTD.**  
南戈壁資源有限公司\*

*(a company continued under the laws of British Columbia, Canada with limited liability)*  
(Stock Code: 1878)

**SouthGobi Resources announces start of construction on new paved coal highway to Mongolia-China border**

**HONG KONG** – SouthGobi Resources Ltd. (TSX: SGQ, HK: 1878) announced today that construction commenced on a new paved coal highway to the Mongolia-China border.

Please see the attached announcement for more details.

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

**Mr. Peter Graham Meredith**  
*Chairman*

Hong Kong, June 19, 2012

*As of the date of this announcement, the executive Director is Mr. Alexander Alan Molyneux, the non-executive Director is Mr. Peter Graham Meredith, and the independent non-executive Directors are Mr. Pierre Bruno Lebel, Mr. Robert William Hanson, Mr. Andre Henry Deepwell, Mr. William Gordon Lancaster, and Mr. Raymond Edward Flood Jr.*

\* *For identification purposes only*

## SouthGobi Resources announces start of construction on new paved coal highway to Mongolia-China border

**HONG KONG** – SouthGobi Resources Ltd. (TSX: SGQ, HK: 1878) announced today that construction has commenced on a new paved coal highway to the Mongolia-China border. A ribbon-cutting ceremony was held June 16, 2012 to commemorate the start of construction.

On August 2, 2011, the State Property Committee of Mongolia awarded the tender to construct a paved highway from the Ovoot Tolgoi Complex to the Shivee Khuren Border Crossing to consortium partners NTB LLC and SouthGobi Sands LLC, a wholly-owned subsidiary of SouthGobi Resources (together referred to as “RDCC”). On October 26, 2011, RDCC signed the concession agreement with the State Property Committee of Mongolia. RDCC now has concluded a 15 year build, operate and transfer agreement under the Mongolian Law on Concessions. The paved highway will have an intended carrying capacity upon completion in excess of 20 million tonnes of coal per year.

“The new paved coal highway will significantly increase the safety of coal transportation to the border, reduce dust, and improve efficiency and capacity of coal transportation” said Alexander Molyneux, President and CEO.



Ribbon Cutting ceremony to commemorate start of construction on paved coal highway to Mongolia-China border

## **About SouthGobi Resources**

SouthGobi Resources is focused on exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region. The company's flagship coal mine, Ovoot Tolgoi, is producing and selling coal to customers in China. The company plans to supply a wide range of coal products to markets in Asia.

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Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, the ability of the coal highway to increase safety of coal transportation to the border; reduce dust; and improve efficiency and capacity of coal transportation, plans to supply a wide range of coal products to markets in Asia; and other statements that are not historical facts. When used in this document, the words such as "plan," "estimate," "expect," "intend," "may," "likely" and similar expressions are forward-looking statements. Although SouthGobi believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" in SouthGobi's Management Discussion and Analysis of Financial Condition and Results of Operations for the quarter ended March 31, 2012 which is available at [www.sedar.com](http://www.sedar.com).