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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 announces the extension of the TSX delisting review

HONG KONG – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**) (“SouthGobi” or the “Company”) has issued the attached press release in Vancouver, Canada on May 25, 2015.

Please see the attached announcement for more details. The information which is available at www.sedar.com per the attached announcement is also available at www.hkexnews.hk

By order of the Board
SouthGobi Resources Ltd.
Mr. W. Gordon Lancaster
Interim Chair

Hong Kong, May 25, 2015

As of the date of this announcement, the executive Director is Mr. Ted Chan, the non-executive Directors are Mr. Kelly Sanders, Mr. Ningqiao Li, and Mr. Yulan Guo, and the independent non-executive Directors are Mr. Pierre Bruno Lebel, Mr. André Henry Deepwell, and Mr. William Gordon Lancaster.

* *For identification purposes only*



May 25, 2015

SouthGobi announces the extension of the TSX delisting review

HONG KONG – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**) (“SouthGobi” or the “Company”) today announces the extension of the delisting review following confirmation that the Continued Listing Committee (the “Committee”) of the Toronto Stock Exchange (“TSX”) has determined to defer its delisting decision until no later than June 24, 2015.

On February 25, 2015, the Company was placed on a remedial delisting review in connection with its reliance on the financial hardship exemption which allowed the Company to complete the private placement with Novel Sunrise Investments Limited (“Novel Sunrise”) without seeking shareholder approval. A delisting review is customary practice under TSX policies when a listed company relies on the financial hardship exemption; refer to the Company’s Management Discussion and Analysis (“MD&A”) issued on May 11, 2015 and available on SEDAR at www.sedar.com for additional detail.

On May 12, 2015 the Company requested an extension of the delisting review following delays in the closing of the share purchase agreement between Novel Sunrise and Turquoise Hill Resources Ltd. and the associated delays in the implementation of the Company’s proposed funding plan (“Proposed Funding Plan”), as discussed in the section Liquidity and Capital Resources under the heading Proposed Funding Plan in the MD&A issued on May 11, 2015 and available on SEDAR at www.sedar.com.

On May 22, 2015, the Company received confirmation that the Committee of the TSX had extended the review and would meet on June 22, 2015 to consider whether the Company has met the listing requirements of the TSX. The Committee is expected to issue its decision on a potential delisting of the Company’s Common Shares on the TSX no later than June 24, 2015.

The Company believes the above extension will provide it with sufficient time to continue with the implementation of the Company’s Proposed Funding Plan and allow it to demonstrate that it will be compliant with the continued listing requirements of the TSX. However, no assurance can be provided as to the implementation of the Proposed Funding Plan nor the outcome of the remedial delisting review.

For additional detail, refer to the section Liquidity and Capital Resources under the heading TSX Financial Hardship Exemption Application and Status of Listing on the TSX in the MD&A issued on May 11, 2015 and available on SEDAR at www.sedar.com.

ABOUT SOUTHGOBI

SouthGobi, listed on the Toronto and Hong Kong stock exchanges, is focused on exploration and development of its metallurgical and thermal coal deposits in Mongolia's South Gobi Region. It has a 100% shareholding in SouthGobi Sands LLC, a Mongolian registered company that holds the mining and exploration licences in Mongolia and operates the flagship Ovoot Tolgoi coal mine. Ovoot Tolgoi produces and sells coal to customers in China.

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