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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)

Resignation of Director

HONG KONG – SouthGobi Resources Ltd. (HK: 1878, TSX: SGQ) (the “**Company**”) announces the resignation of Mr. Huiyi Wang as a non-executive director of the Company, effective from July 24, 2017 (Canada time).

Mr. Wang’s resignation is a result of his recent resignation from China Cinda (HK) Holdings Company Limited, an intermediate holding company of Novel Sunrise Investments Limited which is a substantial shareholder of the Company and which nominated Mr. Wang as a director of the Company. Mr. Wang has confirmed that he has no disagreement with the board of directors of the Company (the “**Board**”) and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board takes this opportunity to express its sincere gratitude to Mr. Wang for his valuable contributions to the Company.

By order of the Board
SouthGobi Resources Ltd.
Mr. Aminbuhe
Chairman

Hong Kong, July 24, 2017

As at the date of this announcement, the Executive Directors of the Company are Messrs. Aminbuhe and Yulan Guo; the Independent Non-Executive Directors are Messrs. Yingbin Ian He, Zhu Liu and Mao Sun and Ms. Jin Lan Quan; the Non-Executive Director is Mr. Wen Yao.

* *For identification purposes only*



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About SouthGobi Resources Ltd.

SouthGobi Resources Ltd., listed on the Toronto and Hong Kong stock exchanges, owns and operates its flagship Ovoot Tolgoi coal mine in Mongolia. It also holds the mining licences of its other metallurgical and thermal coal deposits in South Gobi Region of Mongolia. SouthGobi produces and sells coal to customers in China.

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