



SouthGobi Resources Ltd.

Company Introduction

Aug 2025

Company Overview



SouthGobi Resources Ltd.(“SouthGobi”) :

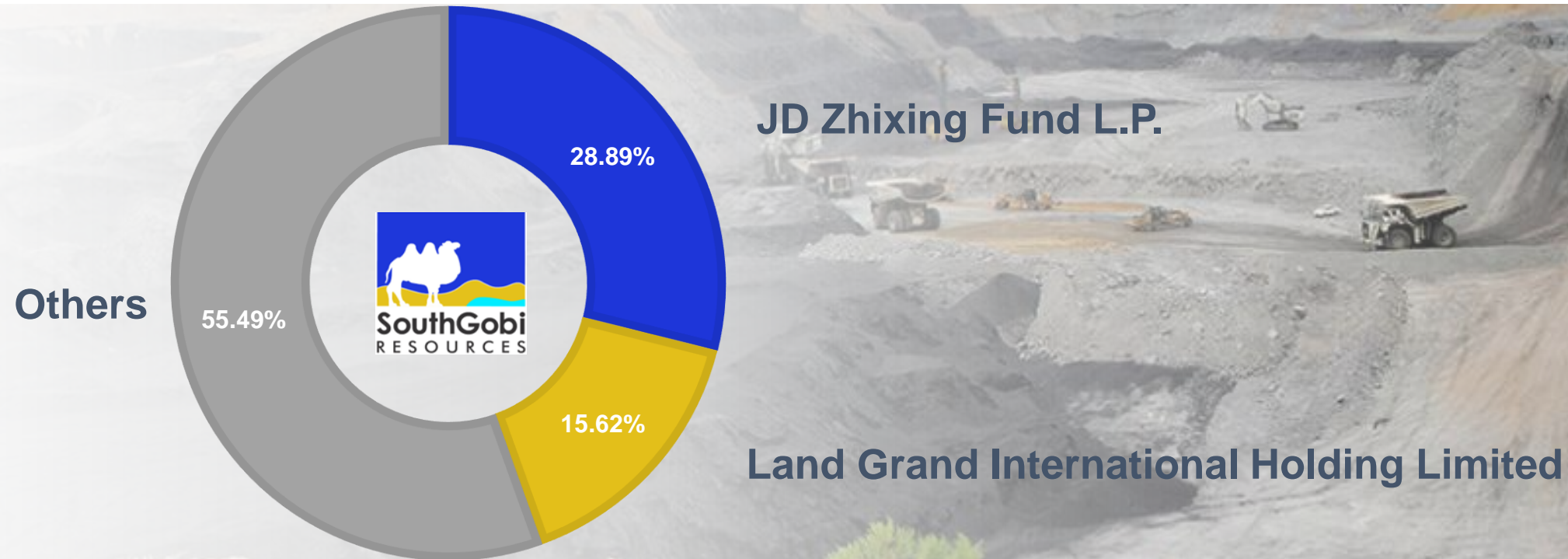
- was listed on the Toronto Stock Exchange Main board and secondary listed on the Hong Kong Stock Exchange in 2009 and 2010 respectively.
- is primary listed on the Hong Kong Stock Exchange and listed on the TSX Venture Exchange since April 17, 2023.

TSX-V: SGQ

HKEX: 1878

- is an integrated coal supplier, engaging in mining, processing, transportation and trading of coal, with its major sales network at Ceke Port in Inner Mongolia, China.
- currently holds 6 mining licenses in Mongolia, with Ovoot Tolgoi Mine being the Company's flagship asset.
- is one of the largest and most recognized companies in Mongolia and has won awards at Ceke Port in Inner Mongolia, China.

Shareholding Structure



Strategic Location



- Ovoot Tolgoi Mine is located approximately 40km from China, which represents the Company's major coal market.
- SouthGobi invested in a paved highway which connects Ovoot Tolgoi Mine in Mongolia with Ceke port in China.
- In 2023, SouthGobi invested in the construction of a railway at Shiveekhuren-Ceke port.

Infrastructure and Operations



Coal Mining



Wet washing &
Dry processing



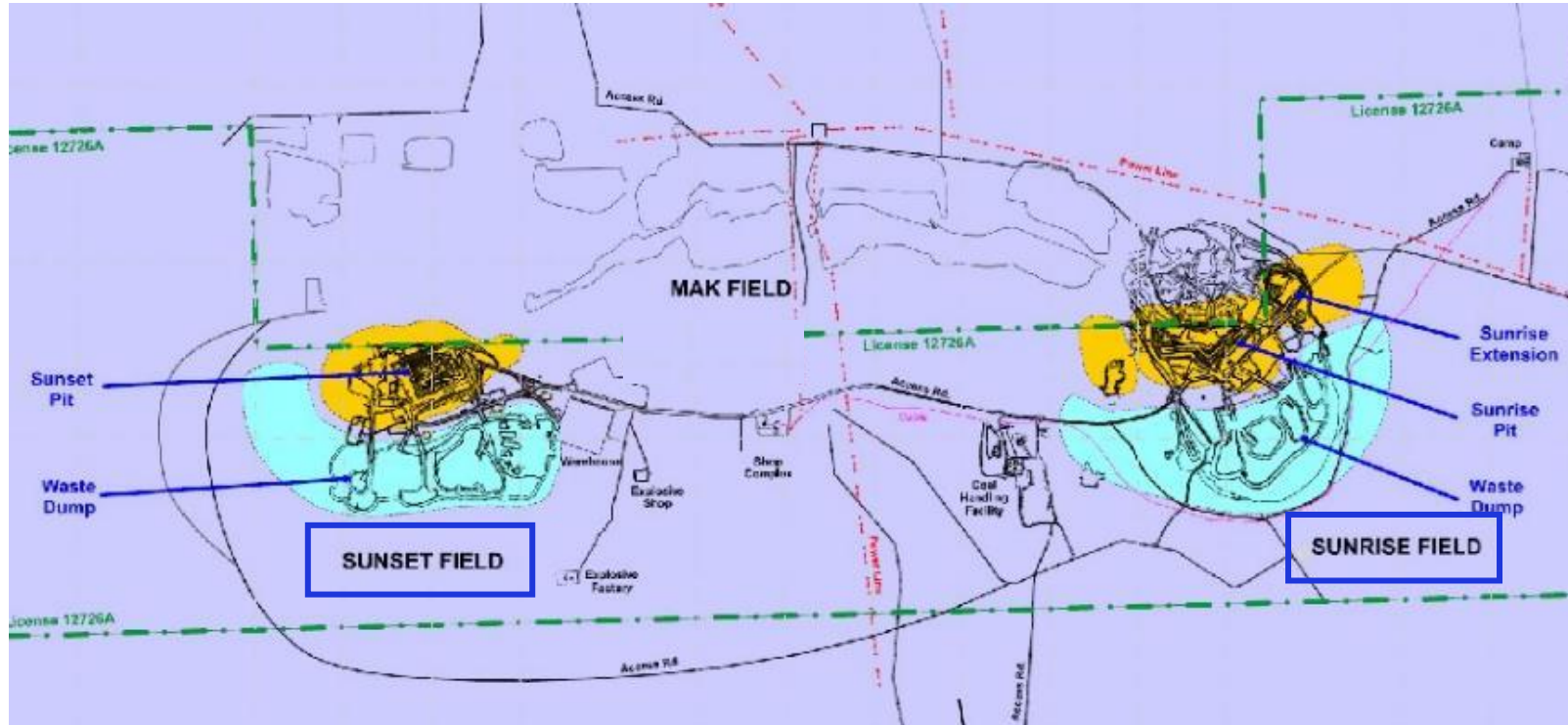
Highway to
Ceke Port of Entry,
China



808 employees
as at Q2 2025



Ovoot Tolgoi Mine



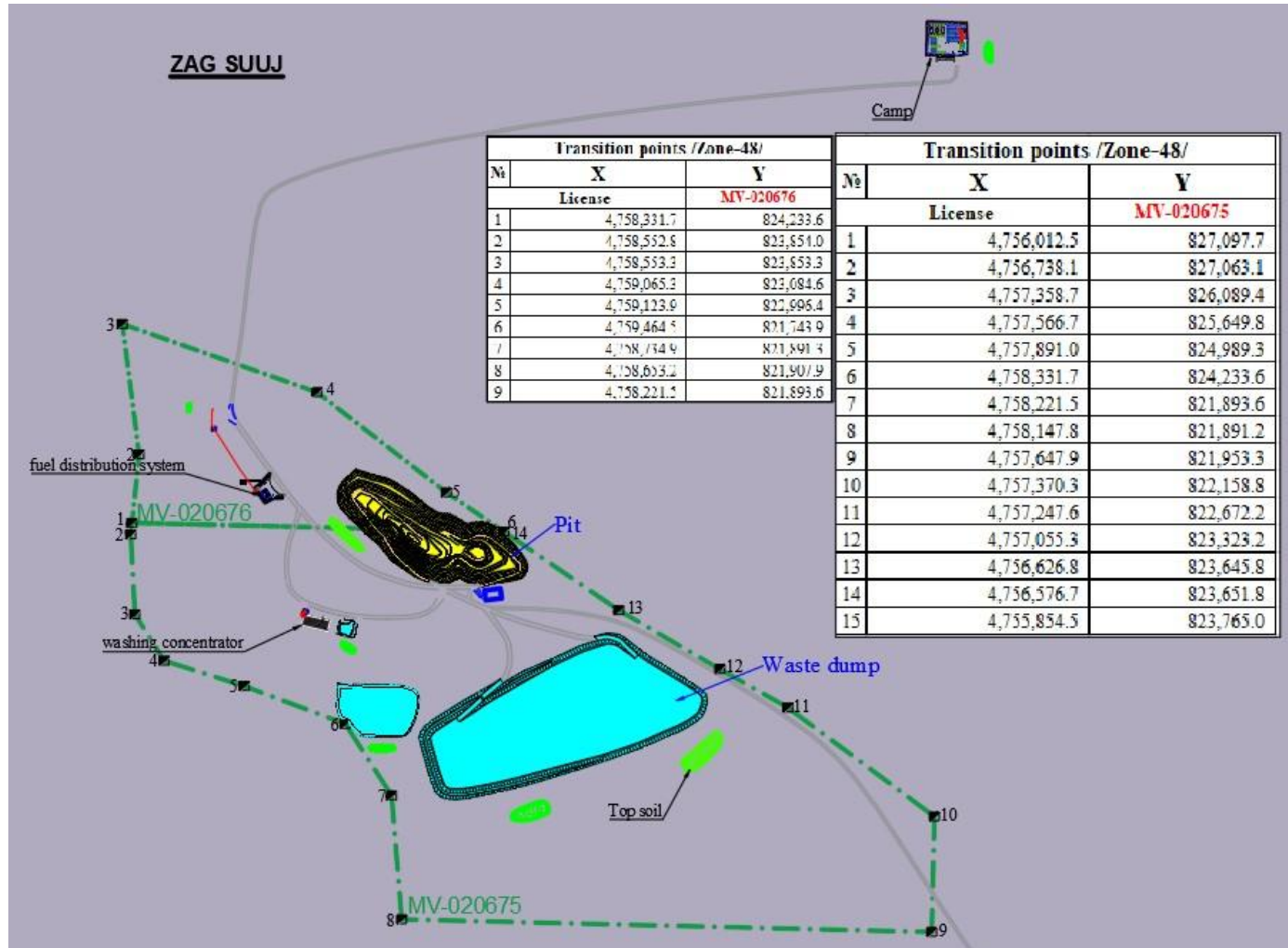
- The Ovoot Tolgoi Deposit is separated into two distinct areas, the Sunrise and Sunset Pits.
- SouthGobi commenced open pit mining at Sunset Pit and Sunrise Pit in April 2008 and August 2011 respectively.
- Major products include semi-soft coking coal and thermal coal.

Ovoot Tolgoi Mine



As of Aug 2025

Zag Suuj Deposit (Mining has not yet been commenced)



- The Zag Suuj Deposit, located approximately 150km east of the Ovoot Tolgoi Mine and approximately 80km north of the Mongolia-China border, lies within the administrative units of Noyon and Bayandalai Souns in the Umnugobi Aimag (South Gobi Province).

Large Resources and Reserves Base



In accordance with NI 43-101 - Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators, SouthGobi's total coal resources is around 760 million tonnes, coal reserves of the Ovoot Tolgoi mine is around 82 million tonnes.



Wet Washing Facility



Coal washing plant is located at the Ovoot Tolgoi mine, with annual capacity of approximately 1.7 million tonnes.

Dry Processing Facility



Dry processing plant is located at the Ovoot Tolgoi mine, with annual capacity of approximately 5.4 million tonnes.

Leadership in Environmental Protection



SouthGobi adopts the framework of the biological offsetting in the implementation of its environmental protection plan, focusing on mitigating potential environmental impacts in the desert grassland areas of which the Company operates.

Environmental
management plan

Planted
over 10,500 trees
and shrubs

Recycling and
reduction of wastes

Biological reclamation
of over 50 hectare area

Energy conservation
and minimize pollutant
emissions

Commitment in Corporate Social Responsibility



SouthGobi is committed to the substantiable development of surrounding communities via:

- Charitable donations;
- Creating job opportunities and providing vocational training;
- Construction of various infrastructures for local communities, including schools and apartments;
- Set up annual scholarship program to support local students in the Gobi region.



Occupational, Health & Safety Management



SouthGobi considers its employees to be its greatest asset and has undertaken to provide all employees with healthy, respectful and safe workplace conditions.

The Board established a Health, Environment, Safety and Social Responsibility (“HESS”) Committee

Organizing health & safety training programs

Maintaining a low lost time injury frequency rate

Stringent safety & health management system & policies

Regular safety inspections

Received numerous awards in occupational, health & safety

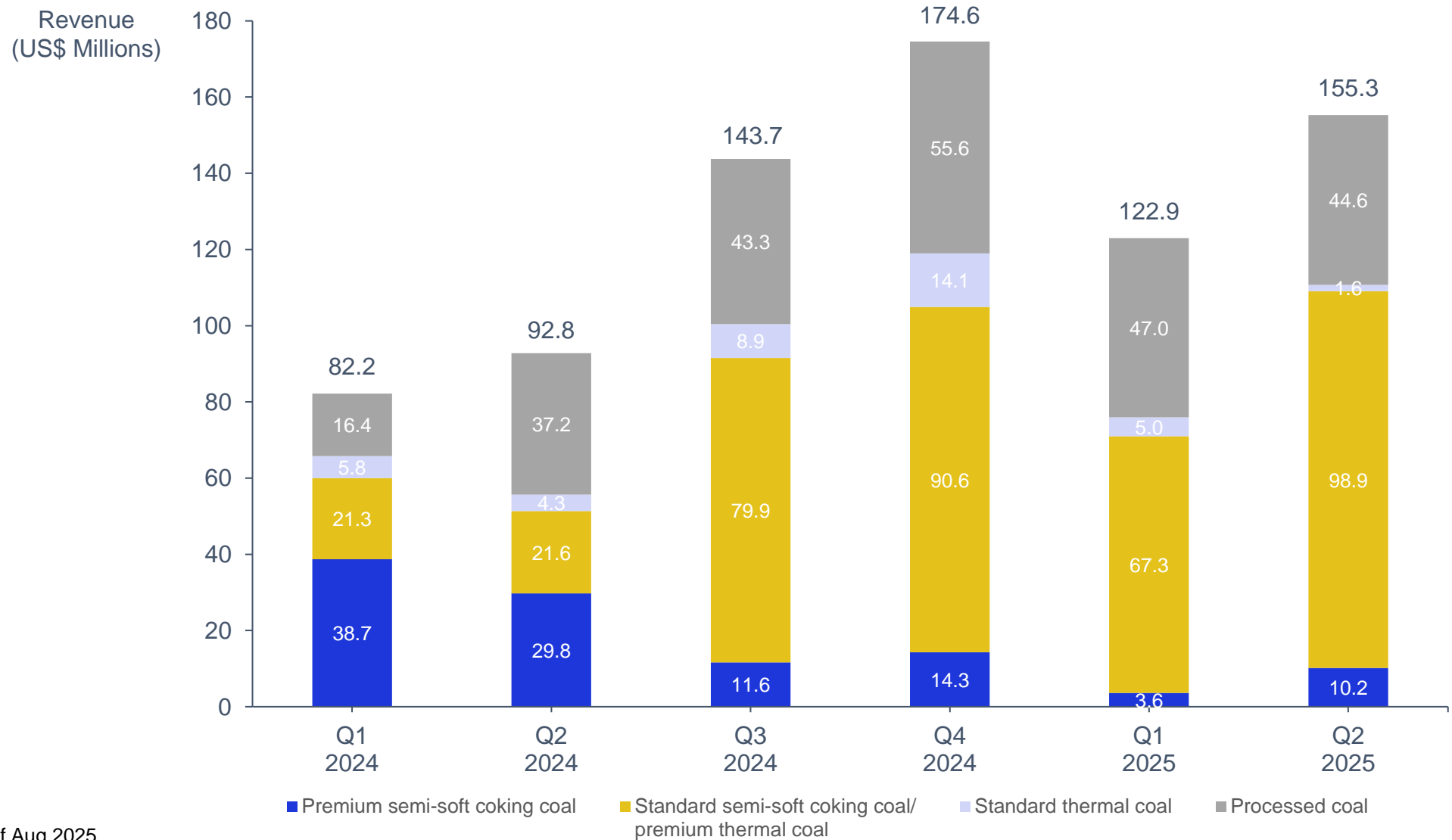


Financial Highlights

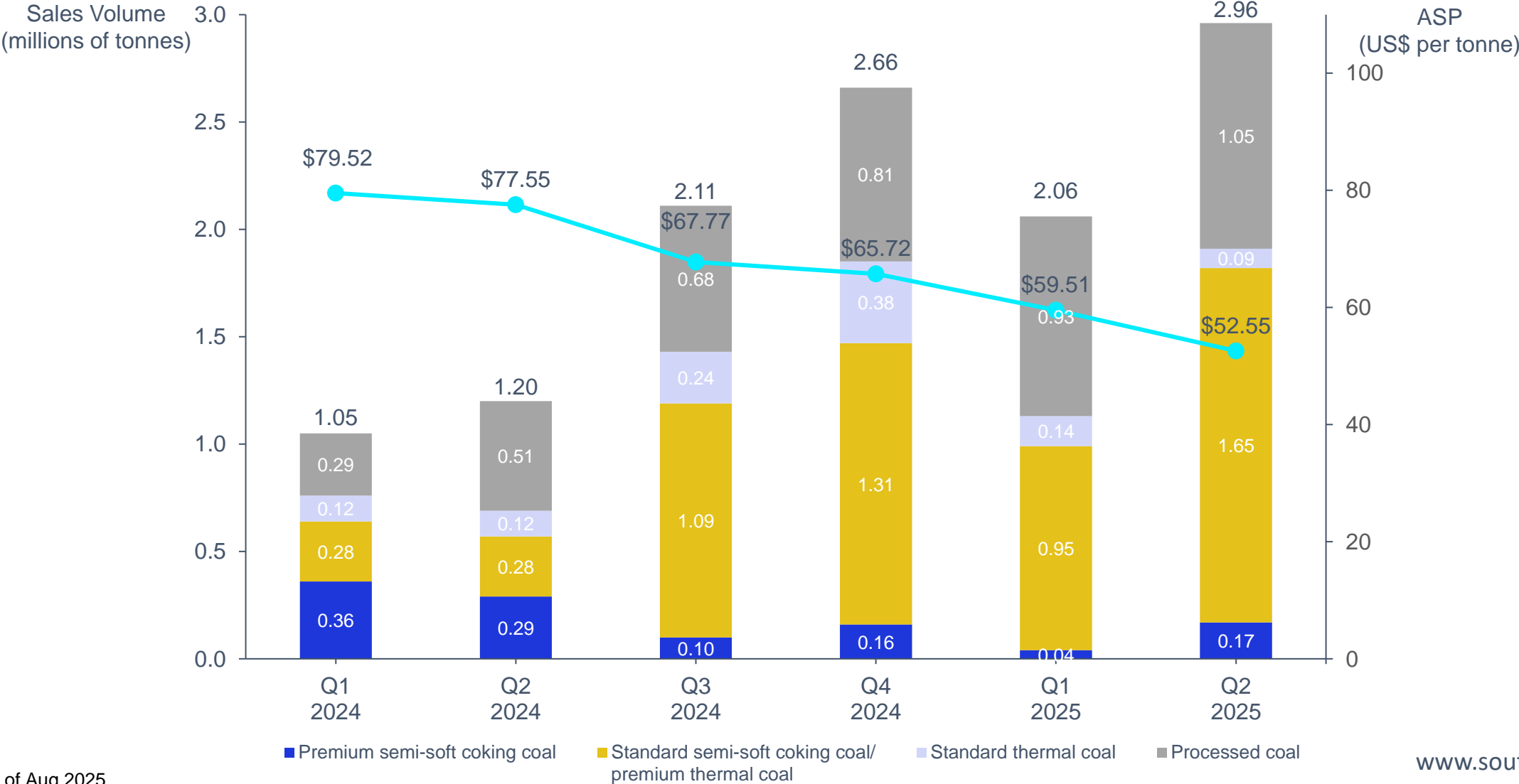


	Three months ended June 30,			Period ended June 30,		
	2025	2024	Change (%)	2025	2024	Change (%)
Total coal sales (millions of tonnes)	2.96	1.20	+147%	5.02	2.25	+123%
Average realised selling price (US\$ per tonne)	\$52.55	\$77.55	-32%	\$55.41	\$78.47	-29%
Raw coal production (millions of tonnes)	3.91	2.01	+95%	7.83	3.26	+140%
Cost of sales of product sold (US\$ per tonne)	\$53.87	\$61.32	-12%	\$58.39	\$52.94	+10%
Revenue (US\$000)	\$155,289	\$92,821	+67%	\$278,156	\$174,990	+59%
Gross Profit Margin (%)	-3%	21%	-24%	-5%	32%	-37%
Net Profit/ (Loss) (US\$000)	(22,806)	(2,085)	-994%	(49,011)	10,167	+582%
Net Profit Margin (%)	-15%	-2%	-13%	-18%	6%	-24%
Basic EPS (US\$)	\$(0.077)	\$(0.007)	-1,000%	\$(0.165)	\$0.034	+585%

Quarterly Revenue



Quarterly Sales Volume & ASP



Growth Drivers



Outlook



Coal remains a major source of energy in China, accounted for **27.9%* of total energy used by the world in 2024.**

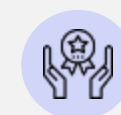
*Source: Statistical Review of World Energy 2025



SouthGobi's strategic location enables the leverage of **intensified trade and economic cooperation between Mongolia and China.**



SouthGobi has several growth options including **Soumber Deposit and Zag Suuj Deposit.**



SouthGobi will continue to focus on **creating and maximizing shareholders value** by leveraging its key competitive strengths.





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