

Plaintiff Reaches Settlement in SouthGobi Securities Class Action

TORONTO, ON, – The Court-appointed representatives of a class of former shareholders of SouthGobi Resources Ltd. (“SouthGobi”) have reached a settlement of the class action commenced following SouthGobi’s November 2013 restatement of its financial statements.

SouthGobi’s insurers have agreed to pay C\$6,800,000 to settle the claims made against SouthGobi in the class action. In connection with the settlement, the action will be dismissed in its entirety. SouthGobi does not admit any wrongdoing or liability.

Deloitte LLP (“Deloitte”) previously paid C\$200,000 to settle the claims made against it in the class action. The Court approved the Deloitte settlement on July 19, 2016.

The Class is defined as:

All persons and entities, other than Excluded Persons, wherever they may reside or be domiciled, who acquired SouthGobi’s securities during the Class Period and continued to hold some or all of those securities as of November 8, 2013.

In the above definition:

“**Class Period**” means the period from March 30, 2011, through November 7, 2013 inclusive.

“**Excluded Persons**” means the Defendant and any of its controlling shareholders, past and present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns and CIC;

“**Securities**” means common shares of SouthGobi Resources Ltd., listed for trading on the Toronto Stock Exchange under the symbol “SGQ”, and on the Stock Exchange of Hong Kong under the trading code “1878”, and which, throughout the Class Period, were also admitted to trading on alternative trading venues in Canada, including Alpha Toronto and Chi-X Toronto.

(the “**Class**” or the “**Class Members**”)

The class action commenced following SouthGobi’s November 2013 restatement of its financial statements. The Plaintiff alleged, among other things, that during the Class Period SouthGobi made misrepresentations by materially overstating its revenues through the improper recognition of revenue on coal sales that were not yet complete, in contravention of applicable accounting standards.

The settlement and dismissal of the action against SouthGobi is subject to the approval of the Ontario Superior Court of Justice. If approved by the Court, the settlement will settle, extinguish, and bar all claims of the Class against SouthGobi relating in any way to or arising out of the proceeding. The settlement is a compromise of disputed claims.

The class is represented by the law firm Siskinds LLP (“Class Counsel”). Class Counsel is seeking the approval of legal fees not to exceed 27.5% of the Settlement Amount under the settlement with SouthGobi, less amounts already billed, plus disbursements not to exceed C\$1,150,000 and applicable taxes. At the hearing, Class Counsel will also seek payment of an honorarium to the representative plaintiff in the amount of \$5,000.

A hearing to approve the settlement with SouthGobi will be held on December 2, 2025, during which the Court will consider whether the proposed settlement and Class Counsel’s fees and disbursements are fair and reasonable and should be approved and consider a Plan of Allocation for the distribution of the net settlement funds. Class Members who wish to object to or comment on the settlement, Class Counsel’s fee and disbursement request, or the Plan of Allocation should do so by no later than November 27, 2025. If the settlement is approved, all Class Members will be bound by it.

For complete details regarding the proposed settlement, including how to object/comment, please consult the long-form notice available, in English and French, on Class Counsel’s website at <https://www.siskinds.com/class-action/southgobi-resources/>, and/or the Claims Administrator’s website at www.SouthGobiClassActionSettlement.ca.

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