Form 51-102F3

Material Change Report

Item 1 Name and Address of Company

SouthGobi Resources Ltd. ("**Corporation**")
20th Floor, 250 Howe Street
Vancouver, BC, Canada, V6C 3R8

Item 2 Date of Material Change

May 8, 2025

Item 3 News Release

The press release relating to the material changes described herein was issued and disseminated on May 8, 2025 through the facilities of recognized newswire services. A copy of the press release was filed under the Corporation's profile on SEDAR+.

Item 4 Summary of Material Change

On May 8, 2025, the Corporation announced that on April 2, 2025, Southgobi Sands LLC (“**SGS**”), the Corporation’s wholly-owned Mongolian subsidiary, received a letter (the “**Notice**”) from a plenipotentiary representative of the Mongolian government (the “**Representative**”), which invited SGS to participate in negotiations to determine the Mongolian state’s ownership interest in SGS, being the legal entity which holds the Corporation’s coal mining licenses in Mongolia.

The Notice states that, further to Mongolia’s National Wealth Fund Law, which was passed in April 2024, the Mongolian government resolved on February 5, 2025 to appoint the Representative to negotiate with holders of mining licenses for deposits designated by the Mongolian government as strategically important deposits (“**Mineral Deposits of Strategic Importance**”) to determine the state's ownership interests in such legal entities or the possible replacement of such interests with royalty interests.

The Corporation has been advised by its Mongolian legal counsel that the Mongolian government is empowered to participate on an equity ownership basis with each license holder in the exploitation and/or mining of each Mineral Deposit of Strategic Importance on terms to be negotiated between the government and such license holder.

As of May 8, 2025, the deposits covered by four of the Corporation’s Mongolian mining licenses, which relate to the Ovoot Tolgoi Mine and the Soumber Deposit, have been designated as Mineral Deposits of Strategic Importance by Mongolian government authorities. SGS initiated preliminary discussions with the Representative on April 24, 2025.

Item 5.1 Full Description of Material Change

The material changes are fully described in the news release of the Corporation dated May 8, 2025, a copy of which is attached as Schedule "A" to this report.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The name and business number of an officer of the Corporation through whom an executive officer who is knowledgeable about the material change and this report may be contacted is:

Allison Snetsinger
Corporate Secretary
Telephone: (604) 762-6783

Item 9 Date of Report

May15, 2025

Schedule "A"

See attached.

May 8, 2025

SOUTHGOBI ANNOUNCES NOTICE FROM MONGOLIAN GOVERNMENTPLENIPOTENTIARY AND DESIGNATION OF COMPANY'S MINING DEPOSITS AS MINERAL DEPOSITS OF STRATEGIC IMPORTANCE

VANCOUVER – SouthGobi Resources Ltd. (TSX-V: SGQ, HK: 1878) ("**SouthGobi**" or the "**Company**") announces that, on April 2, 2025, Southgobi Sands LLC ("**SGS**"), the Company's wholly-owned Mongolian subsidiary, received a letter from a plenipotentiary representative of the Mongolian government (the "**Notice**") which invited SGS to participate in negotiations to determine the Mongolian state's ownership interest in SGS, being the legal entity which holds the Company's coal mining licenses in Mongolia.

The Notice states that, in furtherance of Mongolia's National Wealth Fund Law which was passed in April 2024, the Mongolian government resolved on February 5, 2025 to appoint a plenipotentiary representative (the "**Plenipotentiary Representative of the Mongolian Government**") to negotiate with legal persons holding a mining license for a deposit designated by the Mongolian government as a strategically important deposit ("**Mineral Deposits of Strategic Importance**") in relation to determining the proportionate interest the Mongolian state has in such legal entity or whether to replace the Mongolian state's interest with a royalty interest.

The Company has been advised by its Mongolian legal counsel that the Government of Mongolia is empowered to participate on an equity ownership basis with the license holder in the exploitation and/or mining of each Mineral Deposit of Strategic Importance on terms to be negotiated between the Government of Mongolia and such license holder. Based solely on the knowledge of the Company's Mongolian legal counsel, the Company is aware that various other license holders of Mineral Deposits of Strategic Importance have entered into similar negotiations with the Plenipotentiary Representative of the Mongolian Government.

As at the date of this announcement, the deposits covered by four of the Company's Mongolian mining licenses have been designated as Mineral Deposits of Strategic Importance by Mongolian government authorities. The relevant mining licenses relate to the Company's Ovoot Tolgoi Mine and the Soumber Deposit.

On April 24, 2025, SGS initiated preliminary discussions with the Plenipotentiary Representative of the Mongolian Government. The Company anticipates that the discussions between SGS and the Plenipotentiary Representative of the Mongolian Government will continue and both parties will endeavour to engage in good faith for the purpose of arriving at a mutual and constructive understanding and agreement. The Company intends to fully cooperate with the Mongolian government and provide all necessary information to the extent permitted by applicable law.

The Company will continue to monitor developments concerning changes in the scope of the Mineral Deposit of Strategic Importance and the consequential impact, if any, on the Company and its business and operations, while seeking to protect its lawful interests and rights over its mineral deposits.

The Company will issue further announcement(s) to update shareholders and potential investors regarding material developments as and when necessary.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

If there is any inconsistency or discrepancy between the English and Chinese version, the English version shall prevail.

Forward-Looking Statements

Certain information included in this press release that is not current or historical factual information constitutes forward-looking statements or information within the meaning of applicable securities laws (collectively, "**forward-looking statements**"), including negotiations with the plenipotentiary representative of the Mongolian government and timing of the meeting of the Parliament of Mongolia. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "could", "should", "seek", "likely", "estimate" and other similar words or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on certain factors and assumptions including, among other things, the Company's discussions with the plenipotentiary representative of the Mongolian government and other similar factors that may cause actual results to differ materially from what the Company currently expects. Actual results may vary from the forward-looking statements. Readers are cautioned not to place undue importance on forward-looking statements, which speaks only as of the date of this disclosure, and not to rely upon this information as of any other date. While the Company may elect to, it is under no obligation and does not undertake to, update or revise any forward-looking statements, whether as a result of new information, further events or otherwise at any particular time, except as required by law. Additional information concerning factors that may cause actual results to materially differ from those in such forward-looking statements is contained in the Company's filings with Canadian securities regulatory authorities and the website of the Hong Kong regulatory filings and disclosures of listed issuer information. These can be found under the Company's profile on SEDAR+ and HKEXnews respectively, at www.sedarplus.ca and www.hkexnews.hk.

About SouthGobi

SouthGobi, listed on the Hong Kong Stock Exchange and the TSX Venture Exchange, 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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