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(Stock Code: 1878)*

**SouthGobi Resources announces
retirement of W. Gordon Lancaster as director**

HONG KONG – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**) (“SouthGobi” or the “Company”) today announces that Mr. Gordon Lancaster has retired as an independent non-executive director, chairman of the Compensation and Benefits Committee, and member of the Nominating and Corporate Governance Committee and Audit Committee of the Company in order to focus on his consulting business and family, effective on December 14, 2015.

The Company thanks Mr. Lancaster for his valuable contributions to the Company. Mr. Lancaster has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the shareholders of the Company.

By order of the Board
SouthGobi Resources Ltd.
Mr. Ningqiao Li
Chairman

Hong Kong, December 15, 2015

As of the date of this announcement, the executive Directors are Messrs. Ningqiao Li, Aminbuhe, and Yulan Guo, and the independent non-executive Directors are Messrs. Pierre Bruno Lebel, Zhu Liu, Mao Sun and Ms. Jin Lan Quan.

* For identification purposes only



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Mr. Ningqiao Li, Chairman of the Board, said, “Since joining the Board in 2010, Gordon has made outstanding contributions to the Company with his professional expertise and extensive experience. On behalf of SouthGobi, I would like to thank Gordon for his dedication and contributions to the Company and wish him the best.”

About SouthGobi

SouthGobi, 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 and exploration 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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