



**SOUTHGOBI RESOURCES LTD.
COMPENSATION AND BENEFITS COMMITTEE
CHARTER**

I. Purpose

The primary objective of the Compensation and Benefits Committee (the “Committee”) of SouthGobi Resources Ltd. (the “Company”) is to discharge the Board of Directors’ (the “Board”) responsibilities relating to the determination of compensation and benefits for its executive officers and directors of the Company. These responsibilities include, but are not limited to:

1. Assist the Board and the Nominating and Corporate Governance Committee with the recruitment, development and retention of the Company’s senior management.
2. Performance evaluation and compensation of senior management.
3. Succession planning systems for senior management positions.
4. Compensation structure for the Board and senior management, including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit rewards.
5. Benefit plans applicable to senior management.
6. Any share ownership guidelines.

II. Organization

The Committee shall consist entirely of independent non-executive directors of the Company as determined by the Board and shall satisfy the laws governing the Company and the independence and experience requirements under applicable securities laws, rules and regulations, stock exchange rules and policies, and any other regulatory requirements applicable to the Company.

The members of the Committee and the Chair of the Committee shall be appointed (and may be replaced) by the Board upon the recommendation of the Nominating and Corporate Governance Committee. Each member of the Committee shall have or develop an understanding of senior management resources and compensation principles and practices. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the

Committee is not so made, the directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director of the Company. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Nominating and Corporate Governance Committee.

The Committee may form and delegate authority to individual members or subcommittees when appropriate.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

III. Meetings

The Committee shall meet as many times as the Committee deems necessary to carry out its duties effectively, but not less frequently than one time per year. Meetings may be held in person, by telephone, by video-conference or by any combination of any of the foregoing, to the extent permitted by the Company's constituting documents and applicable corporate law.

A majority of the members of the Committee, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum. Matters decided by the Committee shall be decided by a majority vote. The Chair of the Committee shall have an ordinary vote and not a casting vote.

The Chair of the Committee shall be an independent chair who is not the Chair of the Board. In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a temporary Chair from those in attendance at the meeting. The Chair of the Committee, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee in advance of the meeting.

The Committee will appoint a Secretary who will keep full minutes of all meetings. The Secretary may be the Company's Corporate Secretary or another person who does not need to be a member of the Committee. Draft and final versions of the meeting minutes should be sent to all members of the Committee within a reasonable time following such meetings, which, in the case of draft meeting minutes, shall be circulated no later than 21 days following the date of the applicable meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

IV. Authority and Responsibilities

The Committee shall:

1. On an ongoing basis, review and make recommendations to the Board relating to: (i) the Company's policy and structure for all director and senior management remuneration; and (ii) the establishment of a formal and transparent procedure for developing such remuneration policy, which shall take into account the Company's corporate goals and objectives and any remuneration proposals from management.
2. At least annually, review and approve corporate goals and objectives relevant to the Chief Executive Officer's (the "CEO") compensation, evaluate the CEO's performance in light of those goals and objectives and make recommendations to the Board with respect to the CEO's compensation level based on such evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee shall also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the CEO in past years.
3. At least annually, review (in consultation with the Chair of the Board and the CEO), make recommendations to the Board and approve, the adequacy and forms of compensation, benefits and individual remuneration packages of all other executive officers, executive and non-executive directors and senior management, including compensation for termination, dismissal or loss of office. Where possible, a significant proportion of compensation and benefits provided to executive officers should link rewards to corporate and individual performance.
4. Administer and make recommendations to the Board with respect to the Company's Employees' and Directors' Equity Incentive Plan and any other incentive compensation plans and equity-based plans, including any share ownership guidelines, and review such plans annually.
5. Fix and determine the recipients of, and the nature, vesting criteria (if applicable) and size of equity compensation awards and equity bonuses granted from time to time, in compliance with applicable securities laws, stock exchange rules and policies, and other regulatory requirements.
6. Periodically review with the Board the succession plans relating to key senior management positions and make recommendations to the Board with respect to the selection of individuals to occupy these positions.
7. When making its recommendations to the Board, consider the remuneration paid to the directors and executive officers of comparable companies in the Company's peer group, in light of their expected time commitments and responsibilities and the employment conditions under which they work.
8. Review and approve any compensation payable to any executive director or member of senior management in connection with any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms and is otherwise fair and not excessive.

9. Review and approve any compensation arrangement relating to the dismissal or removal of any director for misconduct to ensure that such arrangement is consistent with contractual terms and is otherwise reasonable and appropriate in the circumstances.
10. Ensure that no director, or any of his or her associates, is involved in the determination of his or her own remuneration.
11. Ensure systems are in place to verify compliance with regulatory, corporate governance and disclosure requirements.
12. Review compensation disclosure prior to public disclosure by the Company.
13. Review any report as may be required under applicable securities law, stock exchange rules and policies, and any other regulatory requirements.
14. Review and reassess the adequacy of, and the duties and responsibilities set out in, this Charter annually and recommend to the Nominating and Corporate Governance Committee and the Board any changes deemed appropriate by the Committee.
15. Review its own performance annually, seeking input from the Board.
16. Confirm to the Board annually that all responsibilities outlined in this Charter have been carried out.
17. Perform any other activities consistent with this Charter, the Company's constating documents and governing law, as the Committee or the Board deems necessary or appropriate.

V. Reporting

The Committee shall report regularly to the Board, including on matters set out in applicable stock exchange rules and policies, and shall submit the minutes of all meetings of the Committee to the Board (which minutes shall ordinarily be included in the papers for the next full board meeting after the relevant meeting of the Committee). The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require.

VI. Resources and Independent Advice

The Committee shall be provided with sufficient resources by the Company to perform its duties. The Committee shall have the authority to retain, at the expense of the Company, independent professional advisors, including (i) the sole authority to retain consultants to assist the Committee in the evaluation of compensation of executive officers, senior management and directors and (ii) the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any consultants retained to advise the Committee.

Amendments

At least annually, this charter will be fully evaluated by the Nominating and Corporate Governance Committee and any appropriate updates will be recommended to the Board for consideration. The Nominating and Corporate Governance Committee shall have the authority to make minor technical amendments to this charter from time to time as required.

Approved: May 25, 2004
Amended: November 15, 2005
Amended: August 5, 2009
Amended: November 9, 2010
Reviewed: August 2, 2011
Amended: March 14, 2012
Amended: August 7, 2013
Amended: November 4, 2014
Reviewed: November 2, 2015
Amended: November 8, 2017
Reviewed: November 8, 2018
Reviewed: November 6, 2019
Amended: November 23, 2020