

**SOUTHGOBI RESOURCES LTD. SECURITIES SETTLEMENT
PLAN OF ALLOCATION**

This Plan of Allocation should be read in conjunction with the Settlement Agreement dated October 3, 2025 (the "Settlement Agreement").

I. DEFINED TERMS

1. Unless otherwise defined, capitalized terms used herein are as defined in the Settlement Agreement, which definitions apply to and are incorporated herein. In addition, the following definitions apply to this Plan of Allocation:
 - (a) "Acquisition Expense" means the price paid by a Claimant (including brokerage commissions) to acquire an Eligible Share;
 - (b) "Authorized Claimant" means a Class Member who submits a valid Claim to the Claims Administrator that is accepted for payment as set out in this Plan of Allocation;
 - (c) "Claimant" means a Class Member who submits a properly completed Claim to the Claims Administrator on or before the Claims Bar Deadline;
 - (d) "Net Settlement Fund" means the Settlement Amount less Class Counsel's fees, disbursements, and other Court-approved expenses;
 - (e) "Claim" means a completed claim form, including all required supporting documents, submitted to the Claims Administrator, which constitutes a Claimant's claim for compensation from the Net Settlement Fund;
 - (f) "Claims Administrator" means Epiq Class Action Services Canada Inc., including its employees, appointed by the Court to administer the Settlements in accordance with this Plan of Allocation;
 - (g) "Claims Bar Deadline" means 11:59pm Toronto (Eastern) time on the date that is one hundred and eighty (180) calendar days after the date on which the Second Notices are first published or such other date as may be fixed by the Court;

- (h) “Class Member” means any person or entity, other than Excluded Persons, who acquired SouthGobi’s securities during the Class Period and continued to hold some or all of those securities as of November 8, 2013 as defined in the Settlement Agreement;
- (i) “Class Period” means from and including March 30, 2011 through November 7, 2013 inclusive;
- (j) “Court” means the Ontario Superior Court of Justice, in Toronto, Ontario, Canada;
- (k) “Disposition Proceeds” means the price per Eligible Share received by a Claimant on the disposition of that Eligible Share;
- (l) “Eligible Share” means:
- a SouthGobi share acquired during the Class Period, on any Canadian exchange (including, without limitation, the Toronto Stock Exchange) (“Exchange”) or any Canadian alternative trading system (“ATS”), including Alpha Toronto or Chi-X Toronto; or
 - a common share of SouthGobi acquired during the Class Period on the Stock Exchange of Hong Kong under the trading code “1878”;
- (m) “FIFO” means “first in, first out”, whereby for the purpose of determining a Claimant’s Recognized Loss, securities are deemed to be sold in the same order that they were purchased (e.g., the first SouthGobi shares purchased by a Claimant are deemed to be the first SouthGobi shares sold); and
- (n) “Recognized Loss” means an Authorized Claimant’s notional damages as calculated pursuant to the formulae set forth in this Plan of Allocation, which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Fund is determined.

II. OBJECTIVE

2. The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants.

III. CALCULATION OF MONETARY COMPENSATION AND DISTRIBUTION

3. All figures are in Canadian Dollars unless otherwise denoted.
4. The Net Settlement Fund will be distributed in accordance with this Plan of Allocation.
5. The Claims Administrator shall apply FIFO to determine the acquisition that corresponds to the disposition of a particular SouthGobi share, including in the calculation of an Authorized Claimant's Recognized Loss. All SouthGobi share acquisitions and dispositions will be included in the Claims Administrator's determination of the acquisition that corresponds to the disposition of a particular SouthGobi share. However, only purchases or acquisitions of Eligible Shares can generate a Recognized Loss.
6. The Claims Administrator shall first determine a Claimant's Recognized Loss in accordance with paragraph 9 below. If the Claimant has a Recognized Loss greater than zero (0), they become an Authorized Claimant and the Claims Administrator will go on to calculate the Authorized Claimant's *pro rata* entitlement to compensation from the Net Settlement Fund. A Claimant with a Recognized Loss equal to or less than zero is not eligible for payment from the Net Settlement Fund.
7. Transfers of SouthGobi shares between accounts belonging to the same Claimant will not be taken into account in determining a Claimant's Recognized Loss.
8. The date of acquisition or disposition shall be the trade date of the transaction, as opposed to the settlement date of the transaction or the payment date.
9. A Claimant's Recognized Loss will be calculated as follows:
 - (a) There shall be no Recognized Loss for SouthGobi shares that are not Eligible Shares.
 - (b) For Eligible Shares disposed of on or before November 7, 2013, the Recognized Loss shall be zero.
 - (c) For Eligible Shares disposed of in the ten trading days after November 7, 2013 (i.e. disposed of from November 8, 2013 to November 21, 2013, inclusive), the Recognized Loss shall be the difference between the Acquisition Expense and Disposition Proceeds.

- (d) For Eligible Shares disposed of after the tenth trading day after the end of the Class Period (i.e. disposed of on or after November 22, 2013), the Recognized Loss shall be the lesser of (i) and (ii):
- (i) the difference between the Acquisition Expense and Disposition Proceeds; and
 - (ii) the difference between the Acquisition Expense and \$1.15.¹
- (e) For Eligible Shares not yet disposed of, the Recognized Loss shall be the difference between the Acquisition Expense and \$1.15.
10. Each Authorized Claimant's actual compensation will be the portion of the Net Settlement Fund equivalent to the ratio of his, her or its Recognized Loss to the total Recognized Loss of all Authorized Claimants, multiplied by the Net Settlement Fund, as calculated by the Claims Administrator.
11. The Claims Administrator shall not make payments to Authorized Claimants whose *pro rata* entitlement under this Plan of Allocation is less than \$50.00. Such amounts shall instead be allocated *pro rata* to other Authorized Claimants.
12. Compensation shall be paid to Authorized Claimants in Canadian currency.
13. If, one hundred eighty (180) days from the date on which the Claims Administrator distributes the Net Settlement Fund to Authorized Claimants, the Escrow Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among the Authorized Claimants in an equitable and economic fashion. In the event any such remaining balance is less than may practically be distributed to Authorized Claimants in the opinion of Class Counsel and the Claims Administrator, such balance shall be allocated *cy près* to the Investor Protection Clinic at Osgoode Hall Law School.

¹ The volume weighted average price of SouthGobi's common shares on the Toronto Stock Exchange in the 10 trading days following the alleged public correction.

IV. IRREGULAR CLAIMS

14. The claims process is intended to be expeditious, cost effective and “user friendly” to minimize the burden on Claimants. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume Claimants to be acting honestly and in good faith. The Claims Administrator shall use email for correspondence with Claimants to the maximum extent possible.
15. The Claims Administrator shall ensure that only Eligible Shares are eligible for compensation under this Plan of Allocation.
16. The Claims Administrator may, in its discretion, seek additional information from a Claimant where necessary to make the determination.
17. Where a Claim contains minor omissions or errors, the Claims Administrator shall correct such omissions or errors if the information necessary to correct the error or omissions is readily available to the Claims Administrator.
18. In order to remedy any deficiency in the completion of a Claim, the Claims Administrator shall request in writing that additional information be submitted by a Class Member who submits a Claim. Such Class Members shall have until the later of sixty (60) days from the date of the request from the Claims Administrator or the Claims Bar Deadline to rectify the deficiency. Any person who does not respond to such a request for information within this period shall be forever barred from receiving any payments pursuant to the Settlement Agreement, subject to any order of the Court to the contrary, but will in all other respects be subject to and bound by the provisions of the Settlement Agreement and the releases contained therein.
19. The claims process is intended to prevent fraud and abuse. If, after reviewing any Claim, the Administrator believes that the Claim contains unintentional errors which would materially exaggerate the Recognized Loss of the Claimant, then the Claims Administrator may disallow the claim in its entirety or make such adjustments so that an appropriate Recognized Loss is allocated to the Claimant. If the Claims Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Recognized Loss of the Claimant, then the Claims Administrator shall disallow the claim in its entirety.

20. Where the Claims Administrator disallows a claim in its entirety, they shall send to the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice advising that the claim has been disallowed and that the Claimant may request the Claims Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the amount of his, her or its Recognized Loss or his, her or its individual compensation.
21. Any request for reconsideration must be received by the Claims Administrator within 45 days of the date of the notice advising of the disallowance. If no request is received within this time period, the Claimant shall be deemed to have accepted the Claims Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.
22. Where a Claimant files a request for reconsideration with the Claims Administrator, the Claims Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's request.
23. Following its determination in an administrative review, the Claims Administrator shall advise the Claimant of its determination ("Reconsideration Decision Notice"). In the event the Claims Administrator reverses a disallowance, the Claims Administrator shall send the Claimant, at the email or postal address provided by the Claimant or the Claimant's last known email or postal address, a notice specifying the revision to the Claims Administrator's disallowance.
24. The Claims Administrator's decision on a request for reconsideration will be binding upon the Claimant, subject to the Claimant's right to appeal, as outlined in paragraphs 28 to 32.
25. Where, following the determination of a request for reconsideration, the Claims Administrator continues to disallow a Claimant's claim in its entirety, the Claimant may appeal the disallowance. Any such appeal must be electronically submitted within thirty (30) days of the date of the Reconsideration Decision Notice.
26. There shall be no right of appeal:

- (a) where a Claim is allowed but the Claimant disputes the amount of his, her or its Recognized Loss or his, her or its individual compensation;
- (b) in respect of claims filed after the Claims Bar Deadline; and
- (c) in respect of Claims entitled to compensation of \$50 or less pursuant to this Plan of Allocation.

V. APPEALS

- 27. Appeals will be determined by an arbitrator appointed by the Court. The arbitrator shall apply the rules provided herein to any appeals.
- 28. Appeals shall be on the basis of written submissions of the Claimant supported by any documentation provided to the Claims Administrator and any other material provided by the Claimant in support of the appeal. Notwithstanding the foregoing, the arbitrator, in his or her sole discretion, may request oral submissions to be made via teleconference or establish additional procedures to be followed during the appeal in cases where he or she determines that is warranted.
- 29. The arbitrator, in his or her sole discretion, may mediate the differences at any stage in the proceedings and, if mediation is unsuccessful, continue to arbitrate the appeal.
- 30. The costs of the arbitrator and the Claims Administrator for a successful appeal will be paid from the Net Settlement Fund. For greater clarity, the Claimant shall have no entitlement to be repaid their costs (including any legal fees or disbursements) from a successful appeal. The costs of the arbitrator and the Claims Administrator for an unsuccessful appeal will be borne by the Claimant, subject to the discretion of the Claims Administrator.
- 31. The arbitrator's decision on the appeal is final and binding and shall not be subject to any further appeal or review whatsoever.

VI. ADDITIONAL RULES

- 32. No action shall lie against Class Counsel (as defined in the Settlement Agreement) or the Claims Administrator for any decision made in the administration of the Settlement

Agreement and the Plan of Allocation without an order from the Court authorizing such an action.

33. By agreement between the Claims Administrator and Class Counsel, any deadline contained in this Plan of Allocation may be extended if, in their opinions, doing so will not adversely impact the efficient administration and it is in the interests of the Class to do so.