

**SETTLEMENT AGREEMENT**

Made as of the 2<sup>nd</sup> day of October, 2025

Between

**Paiman Rahimi**

Plaintiff in Ontario Superior Court of Justice, Court File No. CV-14-495869-00CP,  
in his personal and representative capacities

(the “Plaintiff”)

- and -

**SouthGobi Resources Ltd.**

(the “Defendant”)

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## RECITALS

- A. **WHEREAS**, by consent, on December 20, 2018, the Court certified the Action against the Defendant;
- B. **AND WHEREAS** the Plaintiff has been granted leave to pursue an action on behalf of the class members for damages for misrepresentation under s 138.3(1) of the *Securities Act*, RSO 1990, c S.5, as amended (“**OSA**”) in Ontario Superior Court of Justice Court File No. CV-14-495869-00CP (the “**Action**”);
- C. **AND WHEREAS** the Defendant has denied and continues to deny all of the Plaintiff’s claims in the Action and any resulting damages;
- D. **AND WHEREAS**, on July 19, 2016, the Court approved the settlement of the Action against Deloitte LLP (“**Deloitte**”), subject to the terms of a Settlement Agreement between Mr. Rahimi and Deloitte dated October 12, 2015;
- E. **AND WHEREAS** the class consists of:

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**”)

- F.** **AND WHEREAS** counsel for the Plaintiff and the Defendant have engaged in arm’s length settlement discussions and negotiations, including with the assistance of a mediator, resulting in this settlement agreement (“**Settlement**” or “**Agreement**”);
- G.** **AND WHEREAS** the Plaintiff, with the benefit of advice from Class Counsel (defined below), has concluded that this Agreement, which resolves finally and completely the Action, is fair, reasonable and in the best interests of the class members based upon an analysis of the facts and law applicable to the issues in this Action, and taking into account factors including the burdens, complexities, risks and expense of continued litigation, any potential appeals, and the potential risks to recovery in continuing the Action;

**NOW THEREFORE**, in consideration of the covenants, agreements and releases set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Plaintiff and the Defendant (together, the “**Parties**”) that the Action be settled and dismissed on the merits with prejudice and without costs, subject to the approval of the Court, on the following terms and conditions.

## **SECTION 1- SETTLEMENT BENEFITS**

### **Payment of Settlement Amount**

- 1.1 Within thirty (30) calendar days of the day the First Order is issued and entered, the Defendant shall pay or cause to be paid into the Escrow Account (as defined in section 2.1 below) pending Court approval of this settlement, the sum of six million eight hundred thousand Canadian dollars (C\$6,800,000.00) (“**Settlement Amount**”) in full and final settlement of all matters raised or which could have been raised in the Action (including, without limiting the foregoing, any and all claims related to the Defendant’s November 8, 2013 restatement of prior financial statements), inclusive of principal, interest, taxes, class counsel fees, honoraria, notice and administration costs, fees, costs and expenses related to the litigation or the settlement.
- 1.2 If the Settlement Amount is not paid into the Escrow Account in accordance with section 1.1 of this Agreement, then Plaintiff, on behalf of the Class Members, shall have the right to: (a) terminate the Agreement by providing written notice to the Defendant after which the Defendant will have a 10 business day cure period to rectify any issues raised in the Plaintiff’s

written notice; or (b) enforce the terms of the Agreement and seek a judgment effecting the terms herein.

## **SECTION 2- SETTLEMENT AMOUNT TO BE HELD IN TRUST**

- 2.1 Siskinds LLP (“**Siskinds**”) shall maintain an escrow account to hold the Settlement Amount in trust for the benefit of the Class (“**Escrow Account**”).
- 2.2 Except as expressly provided herein, all interest earned on the Settlement Amount shall accrue to the benefit of the Class and shall become and remain part of the Settlement Amount in the Escrow Account (“**Escrow Settlement Amount**”).

### **Taxes on Interest**

- 2.3 Subject to section 2.4, all taxes payable on any interest which accrues on or otherwise in relation to the Escrow Settlement Amount shall be the responsibility of the Plaintiff and the Class. Class Counsel or the claims administrator appointed by the Court (“**Administrator**”) shall be solely responsible to fulfil all tax reporting and payment requirements arising from the Escrow Settlement Amount, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Amount shall be paid from the Escrow Account.
- 2.4 Other than as expressly set out herein, the Defendant shall have no responsibility in any way related to the Escrow Account, including, but not limited to, making any filings relating to the Escrow Account, paying tax on any income earned on the Settlement Amount, or paying any taxes on the monies in the Escrow Account, unless this Agreement is terminated, in which case any interest earned on the Settlement Amount shall be paid to the Defendant which, in such case, shall be responsible for the payment of any taxes on such interest not previously paid by Class Counsel or the Administrator.

### **Transfer of the Escrow Settlement Amount to the Administrator**

- 2.5 Within ten (10) days of the date on which the Second Order, as defined below, under section 6.1 becomes a final order (“**Effective Date**”), Class Counsel shall transfer control of the Escrow Account and the Escrow Settlement Amount therein to the Administrator, but

before doing so Class Counsel may deduct and retain from the Escrow Settlement Amount the Class Counsel Fees (as defined in section 6.3) approved by the Court.

- 2.6 Upon the transfer of the Escrow Account to the Administrator, the Administrator shall maintain the Escrow Settlement Amount in the Escrow Account under the control of the Administrator and hold the Escrow Settlement Amount in trust as provided for in this Agreement.

### **No Reversion**

- 2.7 Unless this Agreement is terminated as provided herein, the Defendant shall not be entitled to the repayment of any portion of the Settlement Amount and then only to the extent of and in accordance with the terms provided herein.

## **SECTION 3- EFFECT OF SETTLEMENT**

### **No Admissions or Concessions**

- 3.1 This Agreement, whether or not it is terminated, and anything contained in it, and any and all negotiations, discussions, and communications associated with this Agreement, shall not be deemed, construed or interpreted to be:
- (a) an admission or concession by the Defendant or any the Releasees as defined in section 9.3 of any fact, fault, omission, wrongdoing, liability or damage, or of the truth of any of the claims or allegations made or which could have been made against them in the Action; or
  - (b) an admission or concession by the Plaintiff, Class Counsel or the Class of any weakness in the claims of the Plaintiff and the Class, or that the consideration to be given hereunder represents the amount that could or would have been recovered from the Defendant after trial of the Action.

### **Agreement Not Evidence nor Presumption**

- 3.2 This Agreement, whether or not it is terminated, and anything contained in it, and any and all negotiations, documents, discussions and proceedings associated with this Agreement, and any

action taken to implement this Agreement, shall not be offered or received in evidence in any pending or future civil, criminal, quasi-criminal, administrative action or disciplinary investigation or proceeding in any jurisdiction:

- (a) against the Defendant or any the Releasees as defined in section 9.3, as evidence, or a presumption, concession or admission of any fact, fault, omissions, wrongdoing or liability, or of the truth of any of the claims or allegations made or which could have been made against them in the Action; or
- (b) against the Plaintiff, Class Counsel or the Class, as evidence, or a presumption, of a concession or admission:
  - (i) of any weakness in the claims of the Plaintiff and the Class; or
  - (ii) that the consideration to be given hereunder represents the amount that could or would have been recovered from the Defendant after trial of the Action.

3.3 Notwithstanding section 3.2, this Agreement may be referred to or offered as evidence to obtain the orders or directions from the Court contemplated by this Agreement, in a proceeding to approve or enforce this Agreement, to defend against the assertion of Released Claims defined in SECTION 9 below, or as otherwise required by law.

#### **SECTION 4- REQUIRED STEPS**

##### **Reasonable Efforts**

4.1 The Parties shall take all reasonable steps to effectuate the Settlement and to secure the prompt, complete and final dismissal with prejudice of the Action on a without costs basis as against the Defendant, including consenting to Orders substantially in the form attached at **Appendices A and E**.

##### **Action in Abeyance**

4.2 Until the Effective Date or until this Agreement is terminated in accordance with its terms, whichever occurs first, the Plaintiff agrees to hold in abeyance all other steps in the Action as

they relate to the Defendant, other than the motions contemplated by this Agreement and such other matters required to implement the terms of this Agreement.

### **SECTION 5– FIRST MOTION**

#### **Motion Seeking Approval of Notice**

- 5.1 As soon as practicable after this Agreement is executed, the Plaintiff shall bring a motion for an order, substantially in the form attached hereto as **Appendix A** or in such other form as agreed upon by the Parties in writing (“**First Order**”), which, among other things, approves the notices described in section 7.1.
- 5.2 The Defendant will consent to the First Order substantially in the form attached as **Appendix A**.

### **SECTION 6- SECOND MOTION**

#### **Motion Seeking Approval of this Agreement**

- 6.1 Subject to the Court’s direction, the Plaintiff shall bring a motion for an order substantially in the form attached hereto as **Appendix E** or in such other form as agreed upon by the Parties in writing (“**Second Order**”), which, among other things, approves this Agreement and dismisses the Action as against the Defendant as of the Effective Date, as soon as practicable after:
- (a) the First Order referred to in section 5.1 has been granted; and
  - (b) the notices described in section 7.1 have been published.
- 6.2 The Defendant will consent to the Second Order substantially in the form attached as **Appendix E**.

#### **Motion for Approval of Class Counsel Fees**

- 6.3 Immediately following the motion for the Second Order under section 6.1, Class Counsel may seek the approval of fees, disbursements, costs, interest thereon in accordance with the *Class*

*Proceedings Act, 1992*, SO 1992, c 6, s 33(7)(c) plus HST and other applicable taxes or charges of Class Counsel (“**Class Counsel Fees**”), to be paid as a first charge on the Settlement Amount. Class Counsel are not precluded from making additional motions to the Court for expenses incurred as a result of implementing the terms of the Agreement.

- 6.4 The Defendant acknowledges that while it will be served with the motion materials for approval of Class Counsel Fees and their counsel are entitled to attend any motion for approval of Class Counsel Fees, that it is not a party to the motion concerning the approval of Class Counsel Fees, it will have no involvement in the approval process to determine the amount of Class Counsel Fees and it will not take any position or make any submissions to the Court concerning Class Counsel Fees, except as requested and required by a Court.
- 6.5 The procedure for and the allowance or disallowance by the Court of any requests for Class Counsel Fees to be paid out of the Settlement Amount are not part of the Settlement provided for herein and are to be considered by the Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement provided for herein.
- 6.6 Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement or affect or delay the finality of the Second Order and the Settlement of this Action provided herein.

#### **Motion for Approval of Plan of Allocation**

- 6.7 On or following the motion for the Second Order under section 6.1, the Plaintiff will seek the approval of a procedure for the determination of eligible claims and the amount of those claims, and the subsequent payment of them (“**Plan of Allocation**”).
- 6.8 The proposed Plan of Allocation will not form part of this Settlement Agreement, and the approval and/or the effect of this Settlement Agreement will not be contingent on either the approval of the proposed Plan of Allocation or the presentation of the proposed Plan of Allocation on the motion for the Second Order under section 6.1.

6.9 After the Effective Date, the amount available in the Escrow Account for distribution pursuant to the Plan of Allocation after payment of all Class Counsel Fees, all Administration Expenses and all other expenses approved by the Court (“**Net Settlement Amount**”) will be disbursed by the Administrator in accordance with the Plan of Allocation or as otherwise directed by the Court. In this Agreement, “**Administration Expenses**” means all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable in relation to the notice, approval, implementation and administration of the Settlement, including the costs of publication and delivery of notices, fees, disbursements and taxes paid to the Administrator, which shall be paid from the Escrow Settlement Amount. For greater certainty, Administration Expenses do not include Class Counsel Fees.

## **SECTION 7- NOTICES**

### **First Notices**

7.1 As soon as practicable following entry of the First Order, Class Counsel shall cause the first round of notices to be published and distributed in accordance with the direction of the Court and the Notice Plan attached hereto to as **Appendix B**. The notices shall be substantially in the form attached as **Appendix C** (“**Short-Form First Notice**”) and **Appendix D** (“**Long-Form First Notice**”) (together, “**First Notices**”).

7.2 The costs of publishing and distributing the First Notices shall be paid from the Escrow Settlement Amount as and when incurred.

### **Report to the Court as to Notice**

7.3 After publication and dissemination of the First Notices, Class Counsel shall file with the Court an affidavit confirming publication and dissemination of the First Notices.

### **Objections**

7.4 The Plaintiff and Class Counsel represent and warrant that as of the date of execution of this Agreement they are not aware of any Class Member who has expressed an intention to object to this Settlement and that they will not encourage any Class Member to do so.

7.5 Class Members who wish to file with the Court an objection to or comment on this Agreement, shall deliver to Class Counsel a written statement in accordance with the terms of, and by the deadline set out in, the First Order and the First Notices.

### **Second Notices**

7.6 As soon as practicable following entry of the Second Order, Class Counsel shall cause the second round of notices to be published and distributed in accordance with the direction of the Court and the Notice Plan attached hereto to as **Appendix H**. The notices shall be substantially in the form attached as **Appendix F** (“**Short-Form Second Notice**”) and **Appendix G** (“**Long-Form Second Notice**”) (together, “**Second Notices**”).

7.7 The costs of publishing and distributing the Second Notices shall be paid from the Escrow Settlement Amount as and when incurred.

## **SECTION 8- TERMINATION**

### **Automatic Termination**

8.1 This Agreement shall, without notice, be automatically terminated if:

- (a) the First Order is not granted by the Court substantially in the form attached as **Appendix A** or as otherwise agreed by the parties;
- (b) the First Order is reversed on appeal and the reversal becomes a final order;
- (c) the Second Order is not granted by the Court substantially in the form attached as **Appendix E** or as otherwise agreed by the parties; or
- (d) the Second Order is reversed on appeal and the reversal becomes a final order.

### **Effect of Termination**

8.2 In the event this Agreement is terminated in accordance with its terms:

- (a) the Parties will be restored to their respective positions prior to the execution of this Agreement;

- (b) the Escrow Settlement Amount will be returned to the Defendant in accordance with section 8.4(c) hereof;
- (c) this Agreement will have no further force or effect and no effect on the rights of the Parties except as specifically provided for herein;
- (d) all statutes of limitation applicable to the claims asserted in the Action shall be deemed to have been tolled during the period beginning with the execution of this Agreement and ending with the day on which the order contemplated by section 8.4(b) is entered;
- (e) any costs reasonably incurred by Class Counsel and paid out of the Escrow Account for the publication and dissemination of the First Notices and the Second Notices are non-recoverable from the Plaintiff, the Class Members and Class Counsel; and
- (f) this Agreement will not be introduced into evidence or otherwise referred to in any litigation against the Defendant.

8.3 Notwithstanding the provisions of section 8.2(c), if this Agreement is terminated, the provisions of this SECTION 8 and sections 2.4, 3.1, 3.2, 7.2, 7.7 and the provisions of SECTION 10 shall survive termination and shall continue in full force and effect.

#### **Steps Required on Termination**

8.4 If this Agreement is terminated pursuant to SECTION 8:

- (a) this Agreement shall become null and void and of no force or effect except for the provisions of those sections listed in section 8.3;
- (b) the parties will seek to set aside, *nunc pro tunc*, all prior orders or judgments entered by the Court in accordance with the terms of this Agreement; and
- (c) the Plaintiff will authorize the payment of the Escrow Settlement Amount, including accrued interest, to the Defendant.

## **Notice of Termination**

- 8.5 If this Agreement is terminated, a notice of the termination will be given to the Class. Class Counsel will cause the notice of termination, in a form approved by the Court, and at its cost to be published and disseminated as the Court directs.

## **Disputes Relating to Termination**

- 8.6 If there is a dispute about the termination of this Agreement, the Parties agree that the Court shall determine the dispute on a motion made by a Party on notice to the other Party.

## **SECTION 9- RELEASES**

- 9.1 Upon the Effective Date, and in consideration of payment of the Settlement Amount, and for other valuable consideration set forth in the Agreement, the Releasers agree to forever and absolutely release, waive and discharge, without qualification or limitation, the Releasees from the Released Claims (all as defined below).
- 9.2 It is agreed and understood that the Releasers will not make or continue any claim or take or advance any proceedings against any person or corporation who might claim, in any manner or forum, contribution or indemnity in common law or in equity, or under the provisions of any statute or regulation, including the *Negligence Act* and the amendments thereto and/or under any successor legislation thereto, and/or under the *Rules of Civil Procedure*, from the Releasees discharged by this Full and Final Release, in connection with the matters outlined above and in the Action.
- 9.3 “**Releasees**” means, jointly and severally, individually and collectively, the Defendant, and all of its present, former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, insurers, reinsurers, and all other persons, partnerships or corporations with whom any of the former have been, are now, or may be affiliated, and all of their respective past, present officers (including but not limited to Alexander Molyneux, Terry Krepiakevich, and Matthew O’Kane), directors (including but not limited to Gordon Lancaster, Pierre Lebel, and Andre Deepwell), employees, agents, shareholders, attorneys, advisors, auditors, lawyers, partners, trustees, servants and representatives; and the predecessors, successors, purchasers, heirs, executors,

administrators and assigns of each of the foregoing, and spouses, heirs, estates, related or affiliated entities, any entity in which the Defendant has a controlling interest, any trust of which a Defendant is the settlor or which is for the benefit of the Defendant, and any entity in which the Defendant has or had a controlling interest (directly or indirectly).

9.4 “**Releasers**” means, jointly and severally, individually and collectively, each and every Class Member, the Plaintiff, Counsel, and all of their respective spouses heirs, administrators, estates, executors, assigns, successors, insurers, agents, and all other previously or presently or subsequently related legal personal representatives and present and former, direct and indirect, parents, subsidiaries, divisions, affiliates, partners, insurers, and all other persons, partnerships or corporations with whom any of the former have been, or are now, affiliated, and all of their respective past and present officers, directors, employees, agents, shareholders, attorneys, trustees, servants and representatives; and the predecessors, successors, purchasers, heirs, executors, administrators and assigns of each of the foregoing, and related or affiliated entities, any entity in which the Defendant has a controlling interest, any trust of which a Class Member, Plaintiff, or Counsel is the settlor or which is for the benefit of the Class Member, Plaintiff, or Counsel, and any entity in which the Class Member, Plaintiff, or Counsel has or had a controlling interest (directly or indirectly).

9.5 **Released Claims** means any and all manner of claims, demands, actions, suits, proceedings, covenants, contracts, causes of action, whether class, individual, representative or otherwise in nature, whether personal or subrogated, including assigned claims, whenever incurred, including compensatory, punitive or other damages, liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses, penalties, and lawyers’ fees, known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or contingent, and liquidated or unliquidated, in law, under statute or in equity that the Releasers, or any of them, ever had, now have, or hereafter can, shall, or may have, whether directly, indirectly, derivatively, or in any other capacity, whether currently known or unknown, arising out of or relating in any way to the acquisition, purchase, sale, retention, pricing, marketing or distribution of the Defendant’s securities during the Class Period and any claims which were pleaded or raised or which could have been pleaded or raised in the Action, including, without limitation, any such claims which have been asserted, would have been asserted, or could have

been asserted, directly or indirectly, whether in Canada, the United States of America, or elsewhere, as a result of or in connection with alleged misrepresentations in the Action (both as amended and all prior versions thereof) whether at common law or in breach of the *OSA* or any such similar securities legislation in Canada, the United States of America, or elsewhere and for further certainty, includes without limiting the foregoing, any and all claims related to the Defendant's November 8, 2013 restatement of prior financial statements.

## **SECTION 10- MISCELLANEOUS**

### **Motions for Directions**

- 10.1 Any of the Parties may apply to the Court for directions in respect of any matter in relation to this Agreement.
- 10.2 All motions contemplated by this Agreement shall be on notice to the Parties.

### **Headings, etc.**

- 10.3 In this Agreement:
- (a) the division into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation;
  - (b) the terms "the Agreement", "this Agreement", "herein", "hereto" and similar expressions refer to this Agreement and not to any particular section or other portion of the Agreement; and
  - (c) "person" means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships or limited liability companies.

### **Computation of Time**

- 10.4 In the computation of time in this Agreement, except where a contrary intention appears:

- (a) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
- (b) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

### **Governing Law**

- 10.5 The Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario.
- 10.6 The Parties agree that the Court shall retain exclusive and continuing jurisdiction to interpret and enforce the terms, conditions and obligations under this Agreement, the First Order and the Second Order.

### **Severability**

- 10.7 Any provision hereof that is held to be inoperative, unenforceable or invalid in any jurisdiction shall be severable from the remaining provisions which shall continue to be valid and enforceable to the fullest extent permitted by law.

### **Entire Agreement**

- 10.8 This Agreement constitutes the entire agreement among the Parties and supersede all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. Neither of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Agreement, unless expressly incorporated herein. This Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment after settlement approval must be approved by the Court.

### **Binding Effect**

10.9 If the settlement is approved by the Court and becomes final, this Agreement shall be binding upon, and enure to the benefit of, the Plaintiff, the Class Members, the Defendant, Class Counsel, the Releasees and the Releasors or any of them, and all of their respective heirs, executors, predecessors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiff shall be binding upon all Releasors and each and every covenant and agreement made herein by the Defendant shall be binding upon all of the Releasees.

### **Survival**

10.10 The representations and warranties contained in this Agreement shall survive its execution and implementation.

### **Negotiated Agreement**

10.11 This Agreement and the underlying settlement have been the subject of arm's-length negotiations and discussions among the undersigned and counsel. Each of the Parties has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of this Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Agreement, or any agreement in principle or the Term Sheet dated August 11, 2025, shall have no bearing upon the proper interpretation of this Agreement.

### **Recitals**

10.12 The recitals to this Agreement are true, constitute material and integral parts hereof and are fully incorporated into, and form part of, this Agreement.

## **Acknowledgements**

10.13 Each Party hereby affirms and acknowledges that:

- (a) its signatory has the authority to bind the Party for which it is signing with respect to the matters set forth herein and has reviewed this Agreement; and
- (b) the terms of this Agreement and the effects thereof have been fully explained to him, her or it by his, her or its counsel;
- (c) he, she or its representative fully understands each term of this Agreement and its effect.

## **Counterparts**

10.14 This Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and an emailed pdf. signature shall be deemed an original signature for purposes of executing this Agreement.

## Notice

10.15 Any notice, instruction, motion for Court approval or motion for directions or Court orders sought in connection with this Agreement or any other report or document to be given by any party to any other party shall be in writing and delivered by email to:

### **For the Plaintiff:**

#### **SISKINDS LLP**

Barristers and Solicitors  
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London, Ontario N6B 3L1

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#### **Ellen Yoo (LSO#: 90967B)**

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### **For the Defendant:**

#### **GARDINER ROBERTS LLP**

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**Chris Junior (LSO#: 70330B)**

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**Eli Bordman (LSO#: 83016N)**

Tel: 416.865.6690

Email: ebordman@grllp.com

**Date of Execution**

10.16 This Agreement is effective as of the date on the cover page.

October 3, 2025

\_\_\_\_\_  
Date



\_\_\_\_\_  
Siskinds LLP on behalf of the Plaintiff, Paiman Rahimi

October 2, 2025

\_\_\_\_\_  
Date



\_\_\_\_\_  
Gardiner Roberts LLP on behalf of the Defendant,  
SouthGobi Resources Ltd.

## **APPENDIX A – FIRST ORDER**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) \_\_\_\_\_, THE \_\_\_\_\_  
JUSTICE MORGAN ) DAY OF \_\_\_\_\_, \_\_\_\_\_

B E T W E E N:

**PAIMAN RAHIMI**

Plaintiff

- and -

**SOUTHGOBI RESOURCES LTD.**

Defendant

Proceeding Under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION**, made by the Plaintiff for an order, among other things, fixing the date of the settlement approval hearing and approving the form, content and method of dissemination of a notice of a pending settlement approval hearing was heard virtually this day in Toronto, Ontario.

**ON READING** the materials filed, including the Settlement Agreement dated ●, 2025 attached hereto as **Schedule “1” (“Settlement Agreement”)**, and on reading the submissions of Counsel for the Plaintiff and Counsel for the Defendant SouthGobi Resources Ltd. (the “**Defendant**”);

**AND ON BEING ADVISED** that the Defendant consents to this Order;

1. **THIS COURT ORDERS** that, except to the extent they are modified by this Order, the definitions set out in the Settlement Agreement apply to and are incorporated into this Order.

2. **THIS COURT ORDERS** that in the event of a conflict between this Order and the Settlement Agreement, this Order shall prevail.
3. **THIS COURT ORDERS** that if the Settlement Agreement is not approved, is terminated in accordance with its terms, or otherwise fails to take effect for any reason, the orders herein shall be null and void and of no force or effect.
4. **THIS COURT ORDERS** that the Plaintiff's motion for orders, among other things,
  - (a) approving the Settlement Agreement;
  - (b) approving the Plan of Allocation for distribution of the Net Settlement Amount;
  - (c) approving the form, content and method of dissemination of the Second Notices; and
  - (d) approving Class Counsel Fees,

will be heard on December 2, 2025 beginning at 10:00am at the courthouse located at 330 University Avenue, Toronto Ontario, or virtually.

5. **THIS COURT ORDERS** that the form and content of the Short-Form First Notice, substantially in the form attached as **Schedule "2"**, is approved.
6. **THIS COURT ORDERS** that the form and content of the Long-Form First Notice, substantially in the form attached as **Schedule "3"**, is approved.
7. **THIS COURT ORDERS** that the Notice Plan, substantially in the form attached as **Schedule "4"**, is approved for the purpose of the publication and dissemination of the Short-Form First Notice and Long-Form First Notice (together, "**First Notices**").

8. **THIS COURT ORDERS** that Class Counsel shall post the proposed Plan of Allocation on their respective websites no later than 30 days prior to the hearing date set out in paragraph 4 hereof.
  
9. **THIS COURT ORDERS** that Class Members who wish to file with the Court an objection or comment on the Settlement or the request for approval of Class Counsel fees and disbursements shall deliver a written statement to Class Counsel, at the address indicated in the First Notices, no later than 21 calendar days prior to the hearing date set out in paragraph 4 of this Order.

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THE HONOURABLE JUSTICE MORGAN

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced at Toronto  
Proceeding under the *Class Proceedings Act*,  
1992

**ORDER**  
**(Notice Approval)**

**SISKINDS LLP**  
Barristers and Solicitors  
275 Dundas Street, Unit 1  
London, Ontario N6B 3L1

**Michael G. Robb (LSO#: 45787G)**  
Email: michael.robb@siskinds.com  
Tel: 519.660.7872

65 Queen Street West, Suite 400  
Toronto, Ontario M5H 2M5

**Alex Dimson (LSO#: 57079L)**  
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Tel: 416.594.4396

**Tyler Planeta (LSO#: 71029m)**  
Email: tyler.planeta@siskinds.com  
Tel: 416.594.4588

**Ellen Yoo (LSO#: 90967B)**  
Email: ellen.yoo@siskinds.com  
Tel: 416.594.4380

*Counsel for the Plaintiff*

**APPENDIX B - NOTICE PLAN FOR FIRST NOTICES**

### *Notice Plan – First Order*

As soon as practicable following entry of the First Order, and specifically, within 14 days where possible, the First Notices shall be distributed in the following manner:

#### Short-Form First Notice:

1. A press release approved by the Defendant will be issued in English and French through Canada Newswire.
2. Sent to Institutional Shareholder Services Inc. (ISS); and
3. The Short-Form First Notice will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the action.

#### Long-Form First Notice:

1. Electronic publication of the Long-Form First Notice will occur, in English and French, on the website of Class Counsel (“**Class Counsel Website**”).
2. The Administrator shall provide the Long-Form First Notice to all brokerage firms in its proprietary database.

As soon as practicable following entry of the First Order, Class Counsel will post the Settlement Agreement, the First Order, the Short-Form First Notice and the Long-Form First Notice on the Class Counsel Websites.

**APPENDIX C - SHORT-FORM FIRST NOTICE**

## **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 was 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 ●% of the Settlement Amount under the settlement with SouthGobi (i.e. \$●), plus disbursements and applicable taxes. At the hearing, Class Counsel will also seek payment of honoraria to the representative plaintiff in the amount of \$● each.

A hearing to approve the settlement with SouthGobi will be held on ●, 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 ●. 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 ●, ●, and/or ●.

**Inquiries:**

●

**APPENDIX D - LONG-FORM FIRST NOTICE**

## SOUTHGOBI RESOURCES LTD. SECURITIES CLASS ACTION

### NOTICE OF SETTLEMENT APPROVAL HEARING

**To: 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.**

**(the "Class" or the "Class Members")**

*A Settlement May Affect Your Rights. Please Read this Notice Carefully.*

This notice is about a certified securities class action against SouthGobi Resources Ltd. ("**SouthGobi**"). The class action was 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 class action was initially also against:

- (i) SouthGobi's auditor during the Class Period, Deloitte LLP ("**Deloitte**"). On July 19, 2016, the Ontario Superior Court of Justice approved a C\$200,000 settlement between the Plaintiff Paiman Rahimi and Deloitte.
- (ii) SouthGobi's former Chief Executive Officer, Alexander Molyneux, former Chief Financial Officers, Terry Krepiakevich and Matthew O'Kane, and former audit committee members Gordon Lancaster, Pierre Lebel, and Andre Deepwell (together, the "**Individual Defendants**"). The action was discontinued against the Individual Defendants pursuant to a consent order dated December 20, 2018, whereby the action was certified against SouthGobi.

On August 1, 2025, the representative plaintiff entered into a Settlement Agreement with SouthGobi, which has the effect of resolving this litigation in its entirety.

### **ARE YOU INCLUDED IN THE CLASS?**

The settlement with SouthGobi is on behalf of all persons and entities (other than Excluded Persons), wherever they may reside or be domiciled, who acquired securities of SouthGobi during the period March 30, 2011 through November 7, 2013 ("**Class Period**") and continued to hold some or all of those securities on November 8, 2013, other than certain excluded persons, described below.

In the above definition,

"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 China Investment Corporation.

"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.

## WHAT ARE THE SETTLEMENT BENEFITS?

SouthGobi's insurers have agreed to pay C\$6,800,000 to settle the class action. The settlement is a compromise of disputed claims and SouthGobi does not admit any wrongdoing or liability. The Settlement Agreement, if approved, will settle, extinguish, and bar all claims relating in any way to or arising out of the proceeding.

## WHO ARE THE LAWYERS WHO REPRESENT THE CLASS?

The law firm of Siskinds LLP represents the plaintiff and the Class.

Class Counsel will be paid on the basis of a court-approved contingency fee.

## HEARING TO APPROVE SETTLEMENT AGREEMENT, CLASS COUNSEL FEES, AND THE PLAN OF ALLOCATION

On December 2, 2025 at 10:00 a.m., there will be a hearing before the Ontario Superior Court of Justice ("**Approval Motion**") at which Class Counsel will seek the Court's approval of the Settlement Agreement, and a Plan of Allocation for the distribution of the net settlement funds. At the Approval Motion, the Court will determine whether the Settlement Agreement is fair, reasonable and in the best interests of the Class.

In addition to seeking the Court's approval of the Settlement Agreement, Class Counsel will seek the Court's approval of legal fees not to exceed ●% of the Settlement Amount (i.e. \$●), plus disbursements not to exceed C\$● and applicable taxes on the fees and disbursements ("**Class Counsel Fees**"). At the hearing, Class Counsel will also seek payment of honoraria to the representative plaintiff in the amount of \$● each.

Any members of the proposed Class may attend the hearing of the Approval Motion and ask to make submissions regarding the proposed settlement.

## OBJECTING TO, OR COMMENTING ON, THE SETTLEMENT

Class Members who wish to comment on, or make an objection to, the approval of the Settlement Agreement, the Class Counsel Fees or the Plan of Allocation should deliver (by email or mail) a written submission to Class Counsel, at the email address provided below, **no later than ●**. Any objections delivered by that date will be filed with the Court.

These objections must be directed to:

●

## MORE INFORMATION?

●

## INTERPRETATION

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

**DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE**

## **APPENDIX E – SECOND ORDER**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE ) \_\_\_\_\_, THE \_\_\_\_\_  
JUSTICE MORGAN ) DAY OF \_\_\_\_\_, \_\_\_\_\_

B E T W E E N:

**PAIMAN RAHIMI**

Plaintiff

- and -

**SOUTHGOBI RESOURCES LTD.**

Defendant

Proceeding Under the *Class Proceedings Act, 1992*

**ORDER**

**THIS MOTION**, made by the Plaintiff for an order, among other things, (i) approving the settlement of the action; (ii) approving the form, method of publication and dissemination of the Notices of Settlement; and (iii) approving the Plan of Allocation was heard at the Courthouse located at 330 University Avenue, Toronto, Ontario or virtually on [●].

**ON READING** the materials filed, including the Settlement Agreement dated ●, 2025 attached hereto as **Schedule “1” (“Settlement Agreement”)** and on hearing the submissions of Counsel for the Plaintiff and Counsel for the Defendant;

**AND ON BEING ADVISED** that the deadline for objection to the Settlement Agreement has passed and there have been ● objections.

**AND ON BEING ADVISED** that the Defendant consents to this Order.

1. **THIS COURT DECLARES** that except as otherwise stated, this Order incorporates and adopts the definitions set out in the Settlement Agreement.
2. **THIS COURT DECLARES** that the Settlement Agreement is fair, reasonable and in the best interests of the Class.
3. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to section 27.1 of the *Class Proceedings Act, 1992*, SO 1992, c 6 (“*CPA*”).
4. **THIS COURT DECLARES** that the Settlement Agreement, in its entirety (including the Recitals), forms part of this Order and is binding upon the Plaintiff, the Defendant, and all Class Members, including those persons that are minors or mentally incapable, and that the requirements of Rules 7.04(1) and 7.08(4) of the *Rules of Civil Procedure*, RRO 1990, Reg 194 are hereby dispensed with.
5. **THIS COURT ORDERS** that the Settlement Agreement shall be implemented in accordance with its terms.
6. **THIS COURT ORDERS** that the form and content of the Short-Form Second Notice and the Long-Form Second Notice, attached hereto as **Schedules “2”** and **“3”**, respectively, are approved.
7. **THIS COURT ORDERS** that the Second Notices be disseminated in accordance with the Notice Plan attached as **Schedule “4”**.

8. **THIS COURT ORDERS** that the Plaintiff and the Defendant may, on notice to the Court but without the need for a further order of the Court, agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.
9. **THIS COURT ORDERS AND DECLARES** that, other than as provided in section ● of the Settlement Agreement, the Defendant has no responsibility for and no liability whatsoever with respect to the ongoing administration of the Settlement Amount.
10. **THIS COURT ORDERS AND DECLARES** that, upon the Effective Date, the Releasors shall release and discharge, and shall be conclusively deemed to have fully, finally and forever released and discharged the Releasees from the Released Claims.
11. **THIS COURT ORDERS** that, upon the Effective Date, the within action be and is dismissed as against the Defendant with prejudice and without costs.
12. **THIS COURT ORDERS** that the Plan of Allocation, attached hereto as **Schedule “5”**, is fair and appropriate.
13. **THIS COURT ORDERS** that honoraria to the representative plaintiff Paiman Rahimi, in the amount of \$●, each, are approved.
14. **THIS COURT ORDERS** that the Plan of Allocation is approved and that the Settlement Amount shall be distributed in accordance with the terms of the Settlement Agreement, following the payment of Class Counsel Fees approved by this Court, the Administration Expenses, honoraria, and any other expenses approved by this Court.

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THE HONOURABLE JUSTICE MORGAN

**APPENDIX F – SHORT-FORM SECOND NOTICE**

DRAFT TEXT (*subject to design*)

## NOTICE OF SETTLEMENT

### **DID YOU ACQUIRE SHARES OF SOUTHGOBI RESOURCES LTD. BETWEEN MARCH 30, 2011 TO NOVEMBER 7, 2013 (INCLUSIVE)?**

The Ontario Superior Court of Justice approved a class action settlement for C\$6.8 million to resolve all claims asserted on behalf of all persons and entities, wherever they may reside or may 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, other than Excluded Persons.

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 China Investment Corporation;

“**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 settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by the Defendant.

To be eligible to obtain compensation from the settlement, Class Members must submit a Claim Form to the Administrator at ● by ●.

For important information regarding the class action, to determine if you are a member of the Class, and to learn how to make a claim for compensation:

- View the long-form notice at ●
- Call toll-free ● (North America)
- Call ● (Outside North America)

*The publication of this notice was authorized by the Superior Court of Justice of the Province of Ontario*

**APPENDIX G – LONG-FORM SECOND NOTICE**

**SOUTHGOBI RESOURCES LTD. SECURITIES CLASS ACTION**

**NOTICE OF SETTLEMENT APPROVAL**

**Read this notice carefully as it may affect your legal rights**

**THIS NOTICE IS TO:**

All persons and entities (other than **Excluded Persons**), wherever they may reside or be domiciled, who:

acquired any SouthGobi Securities during the Class Period and retained some or all of them at the close of trading on November 8, 2013, other than Excluded Persons.

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 China Investment Corporation;

“**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 Ontario Superior Court of Justice (the “Court”) has approved a Settlement Agreement between the Plaintiff and the Defendant. The Settlement Agreement resolves this litigation in its entirety. This notice contains important details about the Settlements and how to submit a claim for compensation from the Settlements.

**IMPORTANT DEADLINE TO FILE CLAIM FOR COMPENSATION**

**Claims Bar Deadline** (to file a claim for compensation): ●

**THE NATURE OF THE CLAIMS ASSERTED**

The Plaintiff’s class action was commenced after 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 Plaintiff’s claims were brought pursuant to Part XXIII.1 of Ontario’s *Securities Act*.

**SETTLEMENT APPROVAL, FEE APPROVAL AND OTHER MATTERS**

On ●, the Court approved the Plaintiff’s settlement with SouthGobi. This Settlement provides for the payment of C\$6,800,000 by SouthGobi’s insurers in consideration of the full and final settlement of the claims of the Class Members. The Court previously approved the Plaintiff Paiman Rahimi’s settlement with SouthGobi’s auditor during

the Class Period, Deloitte LLP, for C\$200,000. These two amounts are together the “**Settlement Amount**”. The Settlement Amount includes all legal fees, taxes and administrative expenses.

The Settlement Agreements are not an admission of liability, wrongdoing or fault on the part of the Defendant or Deloitte, both of whom have denied, and continue to deny, the allegations against them.

The Court awarded Siskinds LLP (“Class Counsel”), total legal fees in the amount of ●, plus disbursements of ●, plus HST. As is customary in such cases, Class Counsel conducted the class action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. Class Counsel’s fees will be deducted from the Settlement Amount before it is distributed to Class Members.

Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlements (“Administration Expenses”) will also be paid from the Settlement Amount before it is distributed to Class Members.

### **SUBMITTING A CLAIM FOR COMPENSATION FROM THE SETTLEMENTS**

Class Members will be eligible for compensation if they submit a completed Claim Form, including any supporting documentation, with the Administrator, and their claim satisfies the criteria set out in the Plan of Allocation.

To be eligible for compensation, Class Members must submit their Claim Form no later than ● (“Claims Bar Deadline”).

The most efficient way to file a claim is to visit the Claims Administrator’s website at ● and file an online claim. The website provides step by step instructions on how to file a claim. In order to verify claims, the Administrator will require supporting documentation, including brokerage statements or confirmations evidencing the claimed transactions. Accordingly, Class Members should visit the Administrator’s site as soon as possible so that they have time to obtain the required documentation prior to the Claims Bar Deadline.

While online claims are recommended and preferred, the Administrator will also accept Claim Forms filed by mail or courier. To obtain a copy of the Claim Form, Class Members may contact the Administrator to have one sent by email or regular mail. Claim Forms sent by mail or courier should be sent to:

*SouthGobi Resources Ltd. Settlement Claims Administrator*

●

If you have questions about how to complete or file a Claim Form, the documentation required to support a claim, or whether you are a Class Member, please contact the Administrator.

### **ADDITIONAL INFORMATION**

This notice has been approved by the Ontario Superior Court of Justice. The Court offices cannot answer any questions about the matters in this notice. The Orders of the Court and other information in both languages are available on the Administrator’s website at ●.

Questions relating to the Action may be directed to the Administrator or Class Counsel:

●

If you require assistance in the French language, please contact Class Counsel using the contact details above and we will direct your inquiry to an appropriate person.

The publication of this notice was authorized by the Ontario Superior Court of Justice.

**APPENDIX H – NOTICE PLAN FOR SECOND NOTICES**

### Notice Plan – Second Notices

As soon as practicable following entry of the Second Order, and specifically, within 14 days where possible, the Second Notices shall be distributed in the following manner:

#### Short-Form Second Notice:

1. A press release approved by the Defendant will be issued in English and French, through Canada Newswire; and
2. Sent to Institutional Shareholder Services Inc. (ISS); and
3. The Short-Form Second Notice will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the action.

#### Long-Form Second Notice:

1. Electronic publication of the Long-Form Second Notice will occur, in English and French, on the website of Class Counsel (“**Class Counsel Website**”).
2. The Administrator shall provide the Long-Form Second Notice to all brokerage firms in its proprietary database.

As soon as practicable following entry of the Second Order, Class Counsel will post the Second Order on the Class Counsel Websites.

**SCHEDULE A-2 – SHORT-FORM SECOND NOTICE**

DRAFT TEXT (*subject to design*)

## NOTICE OF SETTLEMENT

### **DID YOU ACQUIRE SHARES OF SOUTHGOBI RESOURCES LTD. BETWEEN MARCH 30, 2011 TO NOVEMBER 7, 2013 (INCLUSIVE)?**

The Ontario Superior Court of Justice approved a class action settlement for C\$6.8 million to resolve all claims asserted on behalf of all persons and entities, wherever they may reside or may 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, other than Excluded Persons.

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 China Investment Corporation;

“**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 settlement is a compromise of disputed claims and is not an admission of liability or wrongdoing by the Defendant.

To be eligible to obtain compensation from the settlement, Class Members must submit a Claim Form to the Administrator at ● by ●.

For important information regarding the class action, to determine if you are a member of the Class, and to learn how to make a claim for compensation:

- View the long-form notice at ●
- Call toll-free ● (North America)
- Call ● (Outside North America)

*The publication of this notice was authorized by the Superior Court of Justice of the Province of Ontario*

**SCHEDULE A-3 – LONG-FORM SECOND NOTICE**

## SOUTHGOBI RESOURCES LTD. SECURITIES CLASS ACTION

### NOTICE OF SETTLEMENT APPROVAL

Read this notice carefully as it may affect your legal rights

#### THIS NOTICE IS TO:

All persons and entities (other than **Excluded Persons**), wherever they may reside or be domiciled, who:

acquired any SouthGobi Securities during the Class Period and retained some or all of them at the close of trading on November 8, 2013, other than Excluded Persons.

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 China Investment Corporation;

“**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 Ontario Superior Court of Justice (the “Court”) has approved a Settlement Agreement between the Plaintiff and the Defendant. The Settlement Agreement resolves this litigation in its entirety. This notice contains important details about the Settlements and how to submit a claim for compensation from the Settlements.

#### IMPORTANT DEADLINE TO FILE CLAIM FOR COMPENSATION

**Claims Bar Deadline** (to file a claim for compensation): ●

#### THE NATURE OF THE CLAIMS ASSERTED

The Plaintiff’s class action was commenced after 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 Plaintiff’s claims were brought pursuant to Part XXIII.1 of Ontario’s *Securities Act*.

#### SETTLEMENT APPROVAL, FEE APPROVAL AND OTHER MATTERS

On ●, the Court approved the Plaintiff’s settlement with SouthGobi. This Settlement provides for the payment of C\$6,800,000 by SouthGobi’s insurers in consideration of the full and final settlement of the claims of the Class Members. The Court previously approved the Plaintiff Paiman Rahimi’s settlement with SouthGobi’s auditor during

the Class Period, Deloitte LLP, for C\$200,000. These two amounts are together the “**Settlement Amount**”. The Settlement Amount includes all legal fees, taxes and administrative expenses.

The Settlement Agreements are not an admission of liability, wrongdoing or fault on the part of the Defendant or Deloitte, both of whom have denied, and continue to deny, the allegations against them.

The Court awarded Siskinds LLP (“Class Counsel”), total legal fees in the amount of ●, plus disbursements of ●, plus HST. As is customary in such cases, Class Counsel conducted the class action on a contingent fee basis. Class Counsel was not paid as the matter proceeded and funded the expenses of conducting the litigation. Class Counsel’s fees will be deducted from the Settlement Amount before it is distributed to Class Members.

Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlements (“Administration Expenses”) will also be paid from the Settlement Amount before it is distributed to Class Members.

### **SUBMITTING A CLAIM FOR COMPENSATION FROM THE SETTLEMENTS**

Class Members will be eligible for compensation if they submit a completed Claim Form, including any supporting documentation, with the Administrator, and their claim satisfies the criteria set out in the Plan of Allocation.

To be eligible for compensation, Class Members must submit their Claim Form no later than ● (“Claims Bar Deadline”).

The most efficient way to file a claim is to visit the Claims Administrator’s website at ● and file an online claim. The website provides step by step instructions on how to file a claim. In order to verify claims, the Administrator will require supporting documentation, including brokerage statements or confirmations evidencing the claimed transactions. Accordingly, Class Members should visit the Administrator’s site as soon as possible so that they have time to obtain the required documentation prior to the Claims Bar Deadline.

While online claims are recommended and preferred, the Administrator will also accept Claim Forms filed by mail or courier. To obtain a copy of the Claim Form, Class Members may contact the Administrator to have one sent by email or regular mail. Claim Forms sent by mail or courier should be sent to:

*SouthGobi Resources Ltd. Settlement Claims Administrator*

●

If you have questions about how to complete or file a Claim Form, the documentation required to support a claim, or whether you are a Class Member, please contact the Administrator.

### **ADDITIONAL INFORMATION**

This notice has been approved by the Ontario Superior Court of Justice. The Court offices cannot answer any questions about the matters in this notice. The Orders of the Court and other information in both languages are available on the Administrator’s website at ●.

Questions relating to the Action may be directed to the Administrator or Class Counsel:

●

If you require assistance in the French language, please contact Class Counsel using the contact details above and we will direct your inquiry to an appropriate person.

The publication of this notice was authorized by the Ontario Superior Court of Justice.

**SCHEDULE A-4 – NOTICE PLAN FOR SECOND NOTICES**

## Notice Plan – Second Notices

As soon as practicable following entry of the Second Order, and specifically, within 14 days where possible, the Second Notices shall be distributed in the following manner:

### Short-Form Second Notice:

1. A press release approved by the Defendant will be issued in English and French, through Canada Newswire; and
2. Sent to Institutional Shareholder Services Inc. (ISS); and
3. The Short-Form Second Notice will be mailed, electronically or physically, as may be required, to those persons and entities who have previously contacted Class Counsel for the purposes of receiving notice of developments in the action.

### Long-Form Second Notice:

1. Electronic publication of the Long-Form Second Notice will occur, in English and French, on the website of Class Counsel (“**Class Counsel Website**”).
2. The Administrator shall provide the Long-Form Second Notice to all brokerage firms in its proprietary database.

As soon as practicable following entry of the Second Order, Class Counsel will post the Second Order on the Class Counsel Websites.

**SCHEDULE A-5 – PLAN OF ALLOCATION**

**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.<sup>1</sup>
- (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.

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<sup>1</sup> 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.