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**SOUTHGOBI RESOURCES LTD.**

**南戈壁資源有限公司\***

*(a company continued under the laws of British Columbia, Canada with limited liability)*

*(Stock Code: 1878)*

**SOUTHGOBI RESOURCES RENEWS COMMON SHARE  
REPURCHASE PROGRAM**

**HONG KONG** – SouthGobi Resources Ltd. (TSX: SGQ, HK: 1878), (the “Company” or “SouthGobi”) today announced it will renew it’s common share repurchase program.

Please see the attached announcement for more details.

By order of the Board  
**SouthGobi Resources Ltd.**

**Mr. Peter Graham Meredith**  
*Chairman*

Hong Kong, 8 June 2011

*As of the date of this announcement, the executive Director is Mr. Alexander Alan Molyneux, the non-executive Directors are Mr. Peter Graham Meredith and Mr. John Anthony Macken and the independent non-executive Directors are Mr. Pierre Bruno Lebel, Mr. Robert William Hanson, Mr. Andre Henry Deepwell, Mr. Gordon Lancaster, Mr. Raymond Edward Flood Jr. and Mr. Robert Stuart Angus.*

\* *For identification purposes only*



June 8, 2011

## **SOUTHGOBI RESOURCES RENEWS COMMON SHARE REPURCHASE PROGRAM**

**HONG KONG** – SouthGobi Resources Ltd. (**TSX: SGQ, HK: 1878**), (the “Company” or “SouthGobi”) announced today that its Board of Directors has authorized the renewal of its share repurchase program to purchase up to a total of 3,183,650 common shares of the Company on either of the Toronto Stock Exchange (“TSX”) or the Stock Exchange of Hong Kong (“SEHK”), representing approximately 1.7% of the current outstanding common shares of the Company.

Apart from exceptions related to block trades for purchases made on the TSX, the Company also is subject to a daily restriction of purchasing no more than 54,420 common shares representing 25% of the average daily trading volume for the 6 calendar months immediately prior to the Company seeking approval for the share repurchase program from the TSX. At the close of business on June 3, 2011 the Company had 183,742,998 issued and outstanding common shares.

The share repurchase program will commence on June 15, 2011 and will remain until June 14, 2012, or until the purchases are completed or the program is terminated by the Company. All repurchased common shares under the share repurchase program will be cancelled. As of June 3, 2011 the Company has repurchased and cancelled a combined 1,816,350 common shares on the TSX and the SEHK at a weighted-average price of C\$12.51 per share.

SouthGobi’s Board of Directors believes that having the capability to repurchase common shares increases the investment alternatives that can be undertaken for the benefit of all shareholders. Furthermore, the program will not impact on SouthGobi’s growth plans. Any shares purchased under the program will increase the proportionate interest of, and may be advantageous to, all remaining shareholders of SouthGobi.

From time to time, SouthGobi may not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise. For example, according to applicable Hong Kong securities laws the Company is deemed to be an ‘insider’ in its own stock for four weeks in advance of any board meeting to receive quarterly results.

The price that SouthGobi will pay for any shares under the share repurchase program on the SEHK shall be, on any date, an amount that is not more than the lesser of: (A) the simple average of the closing price of the Company's common shares on the TSX for the 20 business days preceding the purchase; and (B) 1.05 times the average closing market price for the five preceding trading days on which the common shares were traded on the SEHK and on the TSX shall be an amount that is not more than the last independent trade of a board lot of the common shares.

As part of its secondary listing in Hong Kong, the Company was granted a ruling by the Securities and Futures Commission of Hong Kong that it is not a "public company in Hong Kong". SouthGobi is, therefore, not subject to Hong Kong's Codes on Takeovers and Mergers and Share Repurchases. As a result, the share repurchase program on the SEHK will be governed by Canadian law relating to issuer bids conducted on foreign exchanges and relevant Hong Kong Listing Rules, while purchases made on the TSX will be undertaken in accordance with the TSX's listing rules covering Normal Course Issuer Bids.

### **About SouthGobi Resources**

SouthGobi Resources is focused on exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region. The company's flagship coal mine, Ovoot Tolgoi, is producing and selling coal to customers in China. The company plans to supply a wide range of coal products to markets in Asia.

#### Information contacts, SouthGobi Resources

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Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to, plans to supply a wide range of coal products to markets in Asia; and other statements that are not historical facts. When used in this document, the words such as "plan," "estimate," "expect," "intend," "may," and similar expressions are forward-looking statements. Although SouthGobi believes that the expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed under the heading "Risk Factors" in SouthGobi's Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended Dec. 31, 2010 and quarter ended March 31, 2011 which is available at [www.sedar.com](http://www.sedar.com).