Steppe Gold Director and VP Mongolia Announces Purchase of Convertible Debentures of Steppe Gold Ltd. and Filing of Early Warning Reports

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Ulaanbaatar, October 31, 2019 - Mongolia Inc Limited LLC. ("Mongolia Inc."), a private corporation incorporated in Mongolia and controlled by Bataa Tumur-Ochir, a director and officer of Steppe Gold Ltd. ("Steppe"), announces that on October 28, 2019 it purchased US$2.5 million principal amount of 10% two-year unsecured debentures (the "Debentures") from Chinggis Khaan Bank ("Chinggis Bank"). The US$2.5m principal amount of Debentures is convertible into 4,807,692 common shares of Steppe, at a price of US$0.52 per common share.

Prior to the purchase of the Debentures, Mr. Bataa Tumur-Ochir had ownership, control or direction of 1,122,000 common shares and 800,000 options convertible into common shares of Steppe, representing 4.5% of Steppe's issued and outstanding common shares on a partially diluted basis. Following completion of the purchase, Mr. Tumur-Ochir will have ownership, control or direction of a total of 1,122,000 common shares and 5,607,629 securities convertible into common shares, representing 14.26% of Steppe's issued and outstanding common shares on a partially diluted basis.

Chinggis Bank further announces that on October 28, 2019 it completed a private sale of US$2.5 million principal amount of Debentures to a third party.

Prior to the sale of the Debentures to Mongolia Inc. and a third party, Chinggis Bank had ownership, control or direction of 9,615,384 common shares (assuming full exercise of the Debentures), representing 18.78% of Steppe's 41,576,189 issued and outstanding common shares on a partially diluted basis. Following the completion of the sale, Chinggis Bank will have disposed of the entirety of its holdings in Steppe.

Chinggis Bank has no current intention to increase its beneficial ownership of, or control or direction over, securities of Steppe. Potential purchases of securities of Steppe will be reviewed on a continuing basis by Chinggis Bank, and holdings may be increased in the future.

The Debentures purchased by Mongolia Inc. are held to further Mr. Bataa Tumur-Ochir's commitment to Steppe and may be exercised at his discretion. Mr. Bataa Tumur-Ochir has no current intention to increase his beneficial ownership of, or control or direction over, securities of Steppe. Potential purchases or disposition of securities of Steppe will be reviewed on a continuing basis by Mr. Bataa Tumur-Ochir, and holdings may be increased or decreased in the future.

This press release is being issued pursuant to Canadian early warning reporting requirements because, on a partially diluted basis:

1. the disposition of Debentures has resulted in Chinggis Bank's beneficial holdings to decrease below 10% of Steppe's issued and outstanding common shares; and
2. the acquisition of Debentures by Mongolia Inc. has resulted in Mr. Bataa Tumur-Ochir's beneficial holdings of Steppe to increase above 10% of issued and outstanding common shares.

Steppe Gold Ltd.'s head office is located at Olympic street 19A, Sukhbaatar District 1, Ulaanbaatar 14241, Mongolia.

Copies of early warning reports for Chinggis Bank and Mongolia Inc. will be filed on Steppe's profile on SEDAR at www.sedar.com and may also be obtained by contacting Chinggis Bank and Mongolia Inc. directly at the following addresses:

Chinggis Khaan Bank
New Century Plaza, Chinggis Avenue - 15
Sukhbaatar District, Ulaanbataar, 14251

For further information contact:

Bataa Tumur-Ochir
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