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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INSIDE INFORMATION

This announcement is made by Mongolia Energy Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) that Ernst & Young (“**EY**”), the independent auditor of the Company newly appointed during the financial year ended 31 March 2022 (the “**Financial Year**”), met with our audit committee (the “**Audit Committee**”) on 22 June 2022 in providing an update on the audit progress for the Financial Year.

During the meeting, EY drew the attention of the Audit Committee, among others, on the following significant audit issues which may impact its audit opinion:

- (1) potential modification on prior year’s impairment assessment which may impact the comparative figures for the Financial Year regarding the recoverable amount of the Khushuut mine and related assets and related profit and loss impact for the Financial Year; and
- (2) potential prior year adjustment in relation to the carrying amount of the convertible bonds.

Nevertheless, the Board would like to emphasize that the audit opinion in respect of the consolidated statement of financial position of the Group as at 31 March 2022 are not expected to be modified.

The above issues are technical and accounting items which are non-cash in nature and will not affect the cash flow position of the Group for the Financial Year and are preliminary indication of EY. Further assessment by EY is still in progress and has yet come to a conclusion. We will closely monitor the developments and publish further announcements as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Mongolia Energy Corporation Limited
Tang Chi Kei
Company Secretary

Hong Kong, 23 June 2022

As at the date of this announcement, the board of directors of the Company comprises nine directors, including Mr. Lo Lin Shing, Simon, Ms. Yvette Ong, Mr. Lo, Rex Cze Kei and Mr. Lo, Chris Cze Wai as executive directors, Mr. To Hin Tsun, Gerald and Mr. Tang Chi Kei as non-executive directors, and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu and Mr. Lee Kee Wai, Frank as independent non-executive directors.