

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

OPERATIONAL UPDATE FOR THE QUARTER ENDED 30 JUNE 2024

The board of directors (the “**Board**”) of Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce the unaudited operational update for the quarter ended 30 June 2024. The comparative figures for the quarter ended 30 June 2023 and the quarter ended 31 March 2024 are also disclosed in this announcement.

The Group is the largest producer and exporter of washed coking coal products in Mongolia. The Group’s wholly-owned subsidiary, Energy Resources LLC (“**ER**”), operates Ukhaa Khudag (“**UHG**”) coking coal mine and its 80%-owned subsidiary, Khangad Exploration LLC (“**KEX**”), operates Baruun Naran (“**BN**”) coking coal mine, both located in Umnugobi aimag (province), Mongolia.

The Group’s 50%-owned subsidiary, Erdene Mongol LLC (“**EM**”), develops Bayan Khundii (“**BKH**”) gold mine located in Bayankhongor aimag (province), Mongolia, and commercial production is expected to commence starting from 2025.

Coking (metallurgical) coal operations

During the quarter ended 30 June 2024, the Group’s run-of-mine (“**ROM**”) coal mining combined output from the UHG and BN mines was 4,791.9 thousand tonnes (“**kt**”), representing 16% year-on-year (“**YoY**”) increase compared to the corresponding period ended 30 June 2023 and 34% quarter-on-quarter (“**QoQ**”) increase compared to the previous quarter ended 31 March 2024.

The Group processed 4,060.1 kt of ROM coking coal to produce 2,223.8 kt of washed coking coal products, which represents 37% YoY increase and 3% QoQ increase compared to the corresponding period ended 30 June 2023 and the previous quarter ended 31 March 2024, respectively.

The Group's operating subsidiaries ER and KEX sold a total of 2,314.3 kt of washed coking coal products in the second quarter of 2024, which represents 47% YoY increase compared to the corresponding period of 2023 and 40% QoQ increase from levels reported for the previous quarter ended 31 March 2024.

Starting from the second half of 2023, the Group adopted strategic changes to ROM coal processing and blending procedures to introduce washed semi-hard coking coal ("SHCC") product into its marketable products for optimising its revenue and cost factors while maximising washed coking coal product output and minimising washed thermal coal output.

As such, the Group's year-to-date sales volume reached 3,964.6 kt of washed coking coal products during the first half of 2024, categorised as follows: 2,513.2 kt of washed hard coking coal ("HCC"), 1,228.3 kt of SHCC and 223.1 kt of washed semi-soft coking coal ("SSCC"), as compared to 2,783.1 kt of HCC, 0.0 kt of SHCC and 398.1 kt of SSCC sold during the same period in 2023, respectively.

The Group auctioned a total 1,708.8 kt of washed HCC, 1,356.8 kt of SHCC and 51.2 kt of SSCC under delivery-at-place Ganqimaodu ("DAP GM") terms via the Mongolian Stock Exchange's ("MSE") commodity trading platform in the first half of 2024. The calculated weighted average price was 1,277 RMB per tonne for HCC, 472 RMB per tonne for SHCC and 983 RMB per tonne for SSCC under DAP GM terms calculated by using the publicly available information at MSE's official website at the following link: <https://mse.mn/en/content/list/369>.

The main operational data for coking (metallurgical) coal operations summarised and shown below in Table 1 are all rounded and derived from the internal records of the Group and are intended to give investors an overview of the Group's operations in a timely manner and may differ from the data disclosed in periodic reports of the Company.

Table 1. Main operational data for the quarter ended 30 June 2024:

Item	Unit	The quarter ended 30 June 2024	The quarter ended 30 June 2023	YoY change (%)	The quarter ended 31 March 2024	QoQ change (%)
ROM coal mined	kt	4,791.9	4,128.4	+16%	3,563.7	+34%
ROM coking coal processed	kt	4,060.1	3,642.1	+11%	3,694.6	+10%
Washed coking coal produced	kt	2,223.8	1,623.9	+37%	2,161.7	+3%
Washed coking coal sold	kt	2,314.3	1,579.3	+47%	1,650.3	+40%

Gold and metals operations

During the quarter ended 30 June 2024, the Group has continued with project development to advance progress for construction work at the BKH mine, which has an expected life of mine total production of 476 thousand ounces (“**Koz**”) of recovered gold and 121 Koz of recovered silver according to the updated feasibility study prepared in 2023 in line with the National Instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101).

Furthermore, EM has progressed with processing plant steel structure erection and equipment installation works, with around 30.0% of the total construction work completed according to project development estimations schedule. All major long-lead components of the processing plant were either delivered or shipped to the construction site. Additionally, the Group has advanced to constructing non-process facilities, including the accommodation camp, workshops, warehouses and laboratory.

During the second quarter of 2024, on-site project construction works achieved a significant workplace safety milestone, with no lost time incidents recorded over 1,000,000 man-hours worked.

A total of 120 trainees selected from residents of Bayankhongor aimag (province) attended mining equipment operator training program at the UHG mine as of 30 June 2024. Majority of trainees who had successfully completed the training program were employed by ER to gain further work experience at the UHG mine before being deployed to the BKH mine upon its commencement of operations in 2025.

Important notice

The aforesaid operational data are not an express or implied forecast or guarantee in respect of the Company’s future operating conditions.

In addition, various factors may affect results, including (but not limited to) force majeure events, changes in market conditions and regulatory interferences, as such material differences may exist in the operational data published from quarter to quarter.

Investors should note that undue reliance on or use of the above information may cause investment risks.

For and on behalf of the Board
Mongolian Mining Corporation
Odjargal Jambaljamts
Chairman

Hong Kong, 22 July 2024

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battengel Gotov, being the executive directors of the Company, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo and Mr. Myagmarjav Ganbyamba, being the non-executive directors of the Company, and Dr. Khashchuluun Chuluundorj, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.