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## **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

### **OPERATIONAL UPDATE FOR THE QUARTER ENDED 31 DECEMBER 2024**

**In 2024, the Group has (i) mined approximately 16.3 million tonnes (“Mt”) of run-of-mine (“ROM”) coal; (ii) processed approximately 15.4 Mt of ROM coking coal to produce approximately 8.4 Mt of washed coking coal products; and (iii) sold approximately 7.9 Mt of washed coking coal products.**

**This represents 12%, 25% and 18% increase from levels reported for the previous year, respectively.**

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 31 December 2024.

The comparative figures for the quarter ended 31 December 2023 and the quarter ended 30 September 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 majority-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 from the second half of 2025.

## Coking (metallurgical) coal operations

During the quarter ended 31 December 2024, the Group's ROM coal mining combined output from UHG and BN mines was 3,684.5 thousand tonnes ("kt"). This represents 20% year-on-year ("YoY") increase compared to the corresponding period ended 31 December 2023 and 14% quarter-on-quarter ("QoQ") decrease compared to the previous quarter ended 30 September 2024.

The Group processed a total of 3,947.8 kt of ROM coking coal to produce 2,085.6 kt of washed coking coal products, representing 22% YoY increase and 8% QoQ increase, respectively.

The Group sold a total of 1,886.1 kt of washed coking coal products during the quarter ended 31 December 2024, representing 8% YoY increase and 7% QoQ decrease, respectively.

In 2024, the Group sold a total of 7,882.1 kt of washed coking coal products, including (i) 4,728.3 kt of washed hard coking coal ("HCC"); (ii) 448.9 kt of washed semi-soft coking coal ("SSCC"); and (iii) 2,704.9 kt of washed mid-ash semi-hard coking coal ("MASHCC"). Accordingly, HCC, SSCC and MASHCC constituted 60%, 6% and 34% in total washed coal products mix, respectively.

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 31 December 2024:**

Item	Unit	The quarter ended 31 December 2024	The quarter ended 31 December 2023	YoY change (%)	The quarter ended 30 September 2024	QoQ change (%)
ROM coal mined	Kt	3,684.5	3,080.3	+20%	4,298.9	-14%
ROM coking coal processed	Kt	3,947.8	3,366.8	+17%	3,658.7	+8%
Washed coking coal produced	Kt	2,085.6	1,712.3	+22%	1,928.9	+8%
Washed coking coal sold	Kt	1,886.1	1,744.1	+8%	2,031.4	-7%

In 2024, the Group auctioned approximately 2.6 Mt of HCC with weighted average price of RMB1,224 per tonne as shown below in Table 2, which is based on data derived from publicly available information on the Mongolian Stock Exchange ("MSE") website (<https://mse.mn/en/content/list/349>).

**Table 2. HCC quarterly volumes auctioned by the Group via MSE during 2024:**

<b>Period</b>	<b>HCC auctioned volume (tonnes)</b>	<b>Weighted average price (RMB/tonne)</b>
The quarter ended 31 March 2024	768,000	1,371
The quarter ended 30 June 2024	940,800	1,201
The quarter ended 30 September 2024	364,800	1,179
The quarter ended 31 December 2024	499,000	1,076
<b>The year ended 31 December 2024</b>	<b>2,572,600</b>	<b>1,224</b>

### **Gold and metals operations**

During the quarter ended 31 December 2024, the Group has continued with project development to advance 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 (“**FS 2023**”) in line with the National Instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101).

The processing plant construction and installation works were around 67.0% completed as of 31 December 2024. Also, the Group has commissioned the integrated waste facility and continued to advance the construction of non-process facilities, including the accommodation camp, workshops, warehouses and laboratory.

During the third quarter of 2024, EM completed a six-hole diamond drilling program, totaling 950 meters, to test the potential for expansion of near-pit resources to the west and north outside of the currently designed BKH mine pit-shell limits defined under the FS 2023.

These expansion drilling results, combined with 13,500 meters reverse circulation grade control drill program completed during the quarter ended 31 December 2024, will serve as a base to update the geological information required to further refine and update BKH mine mid- and long-term production schedule.

More detailed information about the drilling program is publicly available at the following link: <https://erdene.com/site/assets/files/4566/epr.pdf>

A total of 164 trainees selected from residents of Bayankhongor aimag (province) attended mining equipment operator training program at the UHG mine as of 31 December 2024. Most 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, 17 January 2025

*As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battsengel 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, Mr. Chan Tze Ching, Ignatius, Ms. Delgerjargal Bayanjargal and Dr. Tsend-Ayush Tuvshintur, being the independent non-executive directors of the Company.*