MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

Mongolian Mining Corporation ("**MMC**" or the "**Company**") and its subsidiaries (the "**Group**") generated revenue of United States Dollar ("**USD**") 586.2 million during the first half of 2026, up 69% from USD346.6 million in the corresponding period of 2025. The increase was driven by higher washed coking coal sales volume and improved average selling price ("**ASP**"). In addition, the Bayan Khundii ("**BKH**") gold mine contributed USD94.7 million, accounting for 16% of total revenue during the reporting period, being its first full reporting period of commercial production.

The Group's earnings before interest, taxes, depreciation and amortisation adjusted by other non-cash and extraordinary items ("**adjusted EBITDA**") was USD169.2 million during the first half of 2026, compared to USD94.1 million in the corresponding period of 2025.

The Group recorded profit and profit attributable to equity shareholders of the Company of USD105.9 million and USD89.0 million, respectively, for the six months ended 30 June 2026, compared with a loss and loss attributable to equity shareholders of the Company of USD19.9 million and USD23.3 million, respectively, in the corresponding period of 2025.

Basic and diluted earnings per share for the six months ended 30 June 2026 were USD8.59 cents and USD8.51 cents, respectively, compared with basic and diluted loss per share of USD2.24 cents in the corresponding period of 2025.

The board (the "**Board**") of Directors (the "**Directors**") of the Company does not recommend the payment of dividend for the six months ended 30 June 2026 (dividend for the six months ended 30 June 2025: nil).

During the six months ended 30 June 2026, the Company repurchased a total of 4,524,000 of its own shares on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate cost of Hong Kong Dollar ("**HKD**") 41.3 million (equivalent to USD5.3 million). Subsequent to the reporting period, the Company further repurchased 10,950,000 shares at an aggregate cost of HKD73.5 million (equivalent to USD9.4 million). All of the repurchased shares were cancelled.

Note: All numbers in this announcement are approximate rounded values for particular items.

The Board is announcing the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June	
	Note	**2026**	2025
		USD'000	*USD'000*
Revenue	*3(a)*	**586,229**	346,648
Cost of revenue	*4*	**(451,320)**	(283,789)
Gross profit		**134,909**	62,859
Other net income/(loss)		**46,376**	(42)
Selling and distribution costs		**(17,510)**	(15,832)
General and administrative expenses		**(15,730)**	(12,664)
Profit from operations		**148,045**	34,321
Finance income	*5(a)*	**4,192**	2,854
Finance costs	*5(a)*	**(23,116)**	(30,033)
Net finance costs	*5(a)*	**(18,924)**	(27,179)
Loss from repurchase of Senior Notes due 2026		**–**	(25,049)
Share of profit of associates		**1,017**	310
Share of loss of joint ventures		**–**	(4)
Profit/(loss) before taxation		**130,138**	(17,601)
Income tax	*6*	**(24,213)**	(2,333)
Profit/(loss) for the period		**105,925**	(19,934)
Attributable to:			
Equity shareholders of the Company		**88,980**	(23,323)
Non-controlling interests		**16,945**	3,389
Profit/(loss) for the period		**105,925**	(19,934)
Basic earnings/(loss) per share	*7(a)*	**8.59 cents**	(2.24) cents
Diluted earnings/(loss) per share	*7(b)*	**8.51 cents**	(2.24) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

	Note	**Six months ended 30 June** **2026** ***USD'000***	2025 *USD'000*
Profit/(loss) for the period		**105,925**	(19,934)
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Surplus on revaluation of property, plant and equipment of an associate		**1,659**	–
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		**(5,647)**	3,719
Total comprehensive income for the period		**101,937**	(16,215)
Attributable to:			
Equity shareholders of the Company		**85,024**	(19,664)
Non-controlling interests		**16,913**	3,449
Total comprehensive income for the period		**101,937**	(16,215)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

	Note	**At 30 June 2026** ***USD'000***	At 31 December 2025 *USD'000*
Non-current assets			
Property, plant and equipment, net	8	**1,293,251**	1,281,241
Construction in progress	9	**10,807**	13,860
Other right-of-use assets		**46**	47
Intangible assets	10	**529,142**	533,627
Interest in associates		**18,440**	15,847
Other non-current assets		**13,555**	5,527
Deferred tax assets		**25,041**	21,384
Total non-current assets		**1,890,282**	1,871,533
Current assets			
Inventories		**167,714**	156,430
Trade and other receivables	11	**101,297**	95,115
Cash and cash equivalents		**294,409**	223,948
Total current assets		**563,420**	475,493
Current liabilities			
Trade and other payables	12	**182,889**	179,701
Contract liabilities		**185,980**	167,359
Borrowing	13	**–**	50,000
Lease liabilities		**129**	69
Current taxation		**9,928**	10,969
Total current liabilities		**378,926**	408,098
Net current assets		**184,494**	67,395
Total assets less current liabilities		**2,074,776**	1,938,928

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2026 – unaudited

	Note	**At 30 June 2026** ***USD'000***	At 31 December 2025 *USD'000*
Non-current liabilities			
Borrowing	13	**50,000**	–
Senior notes	14	**344,600**	344,012
Provisions		**38,536**	37,844
Other non-current liabilities		**–**	6,000
Deferred tax liabilities		**152,008**	154,248
Total non-current liabilities		**585,144**	542,104
NET ASSETS		**1,489,632**	1,396,824
CAPITAL AND RESERVES			
Share capital		**103,433**	103,685
Reserves		**1,211,617**	1,131,035
Total equity attributable to equity shareholders of the Company		**1,315,050**	1,234,720
Non-controlling interests		**174,582**	162,104
TOTAL EQUITY		**1,489,632**	1,396,824

NOTES

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 20 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Mongolian Mining Corporation (the "**Company**") together with its subsidiaries (the "**Group**") since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the mining, processing, transportation and sale of coal products and gold and metal products. Revenue represents the sales value of goods sold to customers exclusive of value added or sales taxes and after deduction of any trade discounts and volume rebates. The amount of each significant category of revenue recognised for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Revenue from contracts with customers within the scope of IFRS 15		
Coal mining segment		
Washed hard-coking coal ("**HCC**")	**335,097**	236,511
Washed mid-ash semi-hard coking coal ("**MASHCC**")	**129,199**	50,348
Washed semi-soft coking coal ("**SSCC**")	**18,951**	26,685
Middlings	**2,829**	32,559
Raw thermal coal	**5,476**	545
Gold and metals mining segment		
Gold products	**94,187**	–
Silver products	**490**	–
	586,229	346,648

Revenue generated from the coal mining segment and gold and metals mining segment is from sale of goods, which is recognised when the goods are transferred at point in time.

(b) Segment reporting

The Group manages its businesses by business lines, which are divided into coal products and gold and metal products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has identified and presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Coal mining segment: the mining, processing, transportation and sale of coal products;
- Gold and metals mining segment (Note): the mining, processing, transportation and sale of gold and metal products.

Note:

The copper mine is at early exploration and evaluation stage.

4 COST OF REVENUE

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Mining costs	**207,354**	129,311
Processing costs	**65,125**	35,300
Transportation costs	**86,101**	63,891
Others *(Note)*	**92,740**	55,287
Cost of revenue	**451,320**	283,789

Note:

Others mainly include royalty tax on the coal and gold sold, and site administration costs.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

(a) Net finance costs:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Interest income	**(3,314)**	(2,854)
Foreign exchange gain, net	**(878)**	–
Finance income	**(4,192)**	(2,854)
Interest on liability component of senior notes *(Note 14)*	**16,006**	16,723
Interest on borrowing *(Note 13)*	**3,158**	1,762
Less: interest expense capitalised into construction in progress	**–**	978
Net interest on borrowing	**3,158**	784
Interest on lease liabilities	**9**	23
Unwinding interest on accrued reclamation obligations	**2,258**	2,789
Foreign exchange loss, net	**–**	8,758
Others	**1,685**	956
Finance costs	**23,116**	30,033
Net finance costs	**18,924**	27,179

(b) Other items:

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
Depreciation and amortisation	**70,486**	58,336
Loss on disposal of property, plant and equipment	**192**	808

6 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Current tax	**30,198**	8,906
Deferred tax	**(5,985)**	(6,573)
	24,213	2,333

(b) Reconciliation between tax expenses and accounting profit/(loss) at applicable tax rates:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Profit/(loss) before taxation	**130,138**	(17,601)
Notional tax on profit before taxation	**26,481**	297
Tax effect of non-deductible items *(Note (iii))*	**2,779**	3,632
Prior year tax losses utilised	**–**	(16)
Tax effect of non-taxable items *(Note (iii))*	**(5,227)**	(2,278)
Tax losses not recognised	**180**	698
Actual tax expenses	**24,213**	2,333

Notes:

(i) Pursuant to the income tax rules and regulations of Mongolia, the subsidiaries of the Group located in Mongolia are liable to Mongolian Corporate Income Tax at a rate of 10% for the first MNT6 billion taxable income, and 25% for the remaining taxable income for the six months ended 30 June 2026 and 2025. According to the Corporate Income Tax Law of China, the Company's subsidiaries in China are subject to statutory income tax rate of 25%.

(ii) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands. The Group is not subject to Hong Kong, Luxembourg and Singapore profits tax as it has no assessable income arising in or derived from Hong Kong, Luxembourg and Singapore during the six months ended 30 June 2026 and 2025.

(iii) Non-deductible and non-taxable items mainly include net unrealised exchange gain or loss, other non-deductible expenses and non-taxable income pursuant to the income tax rules and regulations of Mongolia and other related tax source regions during the six months ended 30 June 2026 and 2025.

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of USD88,980,000 (loss attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2025: USD23,323,000) and the weighted average of 1,035,377,328 ordinary shares (six months ended 30 June 2025: weighted average of 1,041,472,786 ordinary shares) in issue during the interim period.

(b) Diluted earnings/(loss) per share

For the six months ended 30 June 2026, the effect of the outstanding share options was dilutive and therefore included in the calculation of diluted earnings per share. The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average of 1,045,811,902 ordinary shares after adjusting the effects of the outstanding share options.

Weighted average number of ordinary shares (diluted) is calculated as follows:

	Six months ended 30 June	
	2026	2025
	USD'000	*USD'000*
Weighted average number of ordinary shares at 30 June	**1,035,377,328**	1,041,472,786
Dilution effect of the Company's share option scheme *(Note 15(b))*	**10,434,574**	–
Weighted average number of ordinary shares (diluted) at 30 June	**1,045,811,902**	1,041,472,786

For the six months ended 30 June 2025, basic and diluted loss per share were the same. The outstanding share options were anti-dilutive and therefore not included in calculating diluted loss per share for the six months ended 30 June 2025.

8 PROPERTY, PLANT AND EQUIPMENT, NET

(a) Right-of-use assets

During the six months ended 30 June 2026, the Group entered into lease agreements for office premises and recognised additions to the right-of-use assets amounting to USD377,000 (six months ended 30 June 2025: USD89,000).

(b) Acquisitions and disposals of owned assets

Mining properties of the Group as at 30 June 2026 include stripping activity assets with carrying amount of USD648,184,000 (as at 31 December 2025: USD604,847,000).

During the six months ended 30 June 2026, the additions of property, plant and equipment of the Group, representing mainly mining properties and machinery and equipment, amounted to USD81,869,000 (six months ended 30 June 2025: USD87,509,000). Items of property, plant and equipment with a net book value of USD195,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: USD808,000).

9 CONSTRUCTION IN PROGRESS

The construction in progress is mainly related to buildings and plants.

10 INTANGIBLE ASSETS

Intangible assets mainly represent the mining rights.

11 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 30 June 2026 *USD'000*	At 31 December 2025 *USD'000*
Within 90 days	**28,670**	32,478
91 to 180 days	**5,524**	1,878
181 to 270 days	**792**	–
271 to 365 days	**–**	1,299
Over 365 days	**297**	577
Trade receivables net of allowance for credit losses	**35,283**	36,232
Other debtors	**1,180**	1,976
Financial assets measured at amortised cost	**36,463**	38,208
Prepayments and deposits	**16,047**	11,902
Value added tax ("**VAT**") and other tax receivables *(Note)*	**48,787**	45,005
	101,297	95,115

Note:

VAT and other tax receivables include amounts that have been accumulated to date in certain subsidiaries and were due from Mongolian Tax Authority ("**MTA**"). According to the prevailing tax rules and regulations in Mongolia, a taxpayer may offset future taxes and royalties payable to MTA against VAT receivable from MTA. The Group verifies the collectability of such funds with MTA on a regular basis, and based on currently available information, the Group anticipates full recoverability.

12 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2026 *USD'000*	At 31 December 2025 *USD'000*
Within 90 days	**117,476**	102,040
91 to 180 days	**–**	13
181 to 365 days	**10**	5
Over 365 days	**37**	133
Total trade creditors	**117,523**	102,191
Payables for purchase of equipment	**2,788**	3,663
Interest payables	**7,651**	7,731
Other taxes payables	**11,039**	32,483
Amounts due to related parties	**15,614**	10,317
Payables for acquisition of a subsidiary	**5,784**	6,000
Others	**22,490**	17,316
	182,889	179,701

13 BORROWING

	At 30 June 2026		At 31 December 2025	
	Effective interest rate	***USD'000***	Effective interest rate	*USD'000*
Current portion of borrowing	**–**	**–**	13.30%	50,000
Long-term borrowing	**11.80%**	**50,000**	–	–

On 4 December 2024, Erdene Mongol LLC ("**EM**") entered into a USD50,000,000 loan agreement with a local bank in Mongolia, bearing interest at a fixed rate of 13.3% per annum and secured by EM's processing plant. Pursuant to an amendment to the loan agreement dated 23 April 2026, the interest rate was reduced to 11.8% per annum and the maturity date was extended to 17 December 2027.

14 SENIOR NOTES

	At 30 June 2026 ***USD'000***	At 31 December 2025 *USD'000*
Senior Notes due 2030	**344,600**	344,012

On 3 April 2025, the Group issued senior notes due 2030 ("**Senior Notes due 2030**") with a principal amount of USD350,000,000. The Senior Notes due 2030 is listed on the SGX-ST, bears interest at 8.44% per annum fixed rate, payable semi-annually, and is due on 3 April 2030.

The Senior Notes due 2030 is accounted for as a hybrid financial instrument containing a derivative component and a liability component. The derivative component of early redemption option was initially recognised at its fair value of nil. The fair value of the derivative component of early redemption option as at 30 June 2026 was nil. The liability component was initially recognised at its fair value, taking into account attributable issuance discount, and will be accounted on amortised cost subsequently.

Fair value of the derivative component was estimated based on the Binomial model.

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The board of directors of the Company does not recommend declaration and payment of interim dividend in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

(b) Equity settled share-based transactions

On 3 April 2023, 33,250,000 share options were granted to a director and employees of the Company under the share option scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest on 3 April 2024, 3 April 2025, 3 April 2026 and 3 April 2027 separately of 25% each, and then be exercisable until 3 April 2028. The exercise price is HKD3.26, being the closing price as stated in the daily quotations sheet issued by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the date of grant.

On 23 June 2026, 41,875,000 share options were granted to a director and employees of the Company under the share option scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest 25% each time on 24 June 2028 and 24 June 2029, and 50% on 24 June 2030, and then be exercisable until 16 June 2031. The exercise price is HKD7.134, being the closing price as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant.

612,500 share options were exercised during the six months ended 30 June 2026 (six months ended 30 June 2025: 2,351,000).

MANAGEMENT DISCUSSION AND ANALYSIS

COKING (METALLURGICAL) COAL

Industry Overview

In the first half of 2026, China produced 500.0 million tonnes ("**Mt**") of crude steel, compared to 515.5 Mt reported in the corresponding period of 2025, representing a 3.0% year-on-year ("**YoY**") decrease. Despite the decline, China accounted for 53.7% of total global steel production, according to the World Steel Association. China's domestic crude steel consumption and steel exports declined by 2.8% and 5.5% YoY, respectively.

According to Fenwei Digital Information Technology Co., Ltd. ("**Fenwei**"), China's coke production and coke consumption in the first half of 2026 were 252.5 Mt and 248.3 Mt, respectively, representing a 1.2% and 4.8% YoY increase, respectively. China's coke exports increased by 14.3% YoY to 4.0 Mt in the reporting period. According to Fenwei, China's coking coal consumption increased to 301.6 Mt in the first half of 2026 from 296.3 Mt in the corresponding period of 2025, while domestic coking coal production decreased to 228.7 Mt from 237.9 Mt.

The General Administration of Customs of China reported that China's coking coal imports reached 66.9 Mt in the first half of 2026, remaining at elevated levels, representing a 26.7% increase from the corresponding period of 2025. Imports from Mongolia increased by 63.7% YoY, reaching a record high level of 40.6 Mt from 24.8 Mt in the corresponding period of 2025, whereby Mongolia strengthened its position as the leading source for imported coking coal by accounting for 60.7% of the total coking coal imports to China, as tabulated below.

Table 1. China's coking coal imports by country (Mt) (Notes):

Country	**1H2026**	**Market Share**	**1H2025**	**Change**
Mongolia	40.6	60.7%	24.8	+63.7%
Russia	17.3	25.9%	14.8	+16.9%
Australia	4.6	6.9%	3.8	+21.1%
Canada	3.0	4.5%	5.4	-44.4%
USA	–	0%	2.9	-100.0%
Others	1.4	2.1%	1.1	+27.3%
Total	**66.9**	**100.0%**	**52.8**	**+26.7%**

Source: Fenwei.

Notes:

(i) Imports from Mongolia include raw unprocessed, dry and wet coking coal.

(ii) Rounding may cause minor discrepancies in totals and percentages.

Legal Framework Developments

Progress Update on Strategic Deposits

As reported in the Company's previous periodic reports, the Law on the National Wealth Fund and amendments to related Mongolian laws, including the Minerals Law, came into effect on 11 May 2024, pursuant to which the state may hold up to 50% of the shares free of charge in a legal entity holding a license covering Mineral Deposits of Strategic Importance ("**Strategic Deposits**") reserves defined through state-funded exploration, or up to 34% of the shares free of charge where the Strategic Deposits reserves is defined through privately funded exploration, with such shareholding alternatively replaceable by a special royalty, as to be defined by the Parliament. On 10 February 2026, the former Prime Minister of Mongolia signed a non-legally binding Memorandum of Understanding ("**MoU**") with certain private entities holding mining licenses covering Strategic Deposits, including Energy Resources LLC ("**ER**") and Khangad Exploration LLC ("**KEX**").

On 6 May 2026, the Prime Minister of Mongolia, Mr. Uchral Nyam-Osor, announced that the Government of Mongolia ("**GoM**") will prepare a separate law establishing a uniform methodology for determining state participation in Strategic Deposits and the distribution of corresponding economic benefits to the National Wealth Fund, in place of separate negotiations with individual license holders. The Company will make further announcement(s) regarding the progress of the draft law as and when appropriate.

Mining Industry

As of the date of this announcement, the draft amendments to the Minerals Law (2006) are at the final reading with approval expected following the autumn session. Key revisions relevant to the Group include limiting the 2.5% base royalty rate to domestic sales of coal for power generation and heating purposes, a more comprehensive mine closure regime with financial assurance requirements, and an increase in the annual mining license fee for coal deposits from MNT7,250 to MNT12,000 per hectare. As the majority of the Group's coal sales are for exports, the Group does not expect the proposed amendments to have any material adverse impact on its operations or financial position and will ensure compliance following their entry into force.

Business Environment

On 3 July 2026, the Parliament of Mongolia ("**Parliament**") adopted the Law on Economic Freedom, strengthening the protection of property rights and the freedom to conduct business, including prohibitions on state authorities granting preferential treatment to certain business operators and unlawfully confiscating or expropriating private property. As an accompanying law, the Investment Law (2013) was amended to introduce a dispute resolution framework under which investors may submit complaints regarding unlawful acts or omissions of state authorities, with unresolved complaints eligible for escalation to a cabinet meeting of the GoM. In addition, on 5 June 2026, the Parliament repealed the law that had vested the GoM with the authority to place enterprises under its direct control for up to six months, which came into effect on 1 July 2026. The Group considers that these developments will strengthen investment protection and reduce state intervention in business activities in Mongolia.

Environment

On 22 May 2026, the Parliament adopted amendments to the Law on Environmental Impact Assessment (2012), which came into effect on 1 August 2026, that streamline the approval process by narrowing the mandatory consultation requirement to residents directly affected by a project and permitting environmental management plans to be approved for periods of up to ten years rather than annually, while expanding the scope of environmental impact assessments to include social and public health impacts. The Group expects these amendments to reduce approval delays and will ensure compliance with the revised requirements.

Taxation

On 26 June 2026, the Parliament adopted amendments to key tax laws, which will come into effect on 1 January 2027. Under the amended Corporate Income Tax Law, the two-tier progressive regime will be replaced with a three-tier regime, under which annual taxable income of up to MNT6 billion will remain subject to a 10% rate, the portion of taxable income exceeding MNT6 billion but not exceeding MNT10 billion will be subject to a new 15% rate, and the portion exceeding MNT10 billion will remain subject to a 25% rate.

Coal Mining Assets

The Group is the largest producer and exporter of washed coking coal products in Mongolia. ER, its wholly-owned subsidiary, operates the Ukhaa Khudag ("**UHG**") coking coal mine, and KEX, its majority-owned subsidiary, operates the Baruun Naran ("**BN**") coking coal mine, both located in Umnugobi aimag (province), Mongolia.

The UHG deposit sits within the 2,960 hectares covered by Mining License MV-011952 ("**UHG mining license**"), granted to the Group effective for 30 years from 29 August 2006. The BN deposit is covered by two mining licenses, mining License MV-014493 ("**BN mining license**") of 4,482 hectares area was obtained on 1 June 2011, and is effective for 30 years from 1 December 2008, while Mining License MV-017336 ("**THG mining license**") of 8,340 hectares area was granted to the Group on 24 June 2013, effective for 30 years. All three licenses are extendable twice by 20-year periods.

Coal Resources and Reserves

Coal Resource estimates were prepared in accordance with the requirement of the JORC Code (2012) and updated as at 31 December 2025.

Table 2. The Group's Coal Resources as at 31 December 2025 (Notes):

	Resource Category				
Deposit	**Measured (Mt)**	**Indicated (Mt)**	**Inferred (Mt)**	**Total M+I (Mt)**	**Total M+I+I (Mt)**
UHG	430	30	60	460	520
BN	320	50	30	370	400
THG	–	70	20	70	90
Pro-Forma Total	**750**	**150**	**110**	**900**	**1,010**

Notes:

*(i) Technical information in the UHG, BN and THG Coal Resource estimation reports has been compiled by Mr. Byambaa Barkhas, an employee of the Group. Mr. Barkhas is a member of the Australasian Institute of Mining and Metallurgy (the "**AusIMM**") (Member #318198) and has over 16 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012). Mr. Barkhas consents to the inclusion and the release of the matters based on this information in the form and context in which it appears in this announcement. The estimates of the Coal Resource set out in Table 2 presented in this announcement are considered to be a true reflection of the UHG, BN and THG Coal Resources as at 31 December 2025 and have been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012).*

(ii) Internal peer audit of these latest structural and coal quality models was conducted by Mr. Lkhagva-Ochir Said. This peer audit confirmed the Group's work to update the UHG, BN and THG geological model, and thus the Coal Resource estimate for the UHG, BN and THG mining license areas, was in compliance with requirements of the JORC Code (2012). Mr. Said is employed by the Group as Chief Technical Officer. Mr. Said is a member of the AusIMM (Member #316005) and has over 18 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012).

(iii) Due to rounding, discrepancy may exist between sub-totals and totals. Rounding rules refer to Clause 25 of the JORC Code (2012).

Coal Reserve estimates were prepared in accordance with the requirement of the JORC Code (2012) and updated as at 1 January 2026.

Table 3. The Group's run-of-mine ("**ROM**") Coal Reserves estimate as at 1 January 2026 (Notes):

		Reserve Category		
Deposit	**Coal Type**	**Proved (Mt)**	**Probable (Mt)**	**Total (Mt)**
UHG	Coking	301	10	311
	Thermal	17	–	17
	Total	318	10	328
BN	Coking	235	23	258
	Thermal	8	1	9
	Total	243	24	267
Pro-Forma Total		**561**	**34**	**595**

Notes:

(i) *The estimate of Coal Reserve presented in Table 3 has been carried out in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012). Technical information in the UHG and BN Coal Reserve estimation reports has been compiled by Mr. Naranbaatar Lundeg, who is a member of the AusIMM (Member #326646). He is the Executive Consultant of Glogex Consulting LLC. He holds a bachelor's degree of mining industrial management and a master's degree of business administration in the field of financial management. He has extensive experience in the mining industry, having worked with major mining companies and as a consultant for over 24 years. During this time, he has either managed or contributed significantly to numerous mining studies related to the estimation, pit optimisation, mine planning, assessment, evaluation and economic extraction of coal in Mongolia. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify him as a Competent Person as defined under the JORC Code (2012). Mr. Lundeg consents to the inclusion and the release of the matters based on this information in the form and context in which it appears in this announcement.*

(ii) *Due to rounding, discrepancy may exist between sub-totals and totals.*

Production and Sales

The Group mined a total of 9.3 Mt of ROM coal during the first half of 2026, comprising 7.1 Mt from the UHG mine and 2.2 Mt from the BN mine. ROM coal from both mines is processed at the Group's coal handling and preparation plant ("**CHPP**"). During the six months ended 30 June 2026, the Group processed 8.4 Mt of ROM coal, resulting in total washed coal output of 5.1 Mt.

Coal products were transported to the Ganqimaodu ("**GM**") border crossing using a combination of the Group's own trucking fleet and third-party contractors. During the first half of 2026, the Group started utilising rail transportation from the UHG rail terminal to the Gashuunsukhait transshipment terminal, with approximately 189.9 thousand tonnes ("**Kt**") of coal products transported by rail during the reporting period.

The Group's coal sales volume increased to 5.7 Mt during the reporting period from 4.2 Mt in the corresponding period of 2025. The total washed coking coal product mix comprised 2.6 Mt HCC, 0.2 Mt SSCC and 2.4 Mt MASHCC (1H2025: 2.0 Mt, 0.3 Mt, and 1.0 Mt, respectively).

Coal products are sold by the Group under various delivery terms, including ex-works UHG terms and Free-Carrier Tsagaan Khad terms for local sales, and Delivery-at-Place GM and Free-on-Transport GM ("**FOT GM**") terms for export sales. The Group sells its coal products through direct sales to long-term customers and online auctions via the Mongolian Stock Exchange ("**MSE**") commodity exchange platform, with online auction sales accounting for 38% of the Group's total sales volume during the first half of 2026 (1H2025: 24%).

The ASP for all washed coal products sold under various delivery terms was USD90.9 per tonne during first half of 2026, compared with USD82.2 per tonne in the corresponding period of 2025. The ASP for mid-volatile HCC, high-volatile HCC, SSCC, MASHCC, and middlings was USD132.3, USD118.6, USD100.8, USD53.5 and USD27.8 per tonne, respectively, during the reporting period.

Cost of Revenue

The cost of revenue from the Group's coking (metallurgical) coal operations amounted to USD405.4 million during the first half of 2026, of which USD307.6 million was attributable to the UHG mine and USD97.8 million was attributable to the BN mine.

Mining costs are related to overburden and topsoil removal, as well as ROM coal extraction, including staff costs, maintenance costs, fuel costs, fees paid to blasting and mining contractors, and depreciation and amortisation. Unit mining cost increased to USD20.7 per ROM tonne during the first half of 2026 from USD19.4 per ROM tonne in the corresponding period of 2025, primarily due to higher fuel costs.

Processing costs are associated with CHPP operations, including staff costs, maintenance costs, power generation costs, water extraction costs, consumables, and depreciation and amortisation. Unit processing cost was USD4.9 per ROM tonne in the first half of 2026 (1H2025: USD5.3 per ROM tonne).

Unit transportation cost was USD16.1 per tonne during the first half of 2026, compared with USD15.2 per tonne in the corresponding period of 2025.

The Group's effective royalty rate for coal products was 5.6% during the first half of 2026. Royalties on exported processed coal products are charged by the GoM in the range of 5% to 8%, based on monthly benchmark prices published by the relevant authorities. For coal products sold through the MSE commodity exchange platform, royalties are calculated based on the monthly average trading price published by the MSE.

Table 4. Cost of revenue:

	Six months ended 30 June	
	2026	2025
	(USD'000)	*(USD'000)*
Cost of revenue	**405,405**	283,789
Mining cost	**195,480**	129,311
Variable cost	**125,073**	76,088
Fixed cost	**26,000**	18,755
Depreciation and amortisation	**44,407**	34,468
Processing cost	**44,655**	35,300
Variable cost	**15,871**	16,117
Fixed cost	**15,862**	8,241
Depreciation and amortisation	**12,922**	10,942
Handling cost	**10,614**	7,808
Transportation cost	**86,101**	63,891
Logistic cost	**8,071**	7,288
Variable cost	**3,163**	2,493
Fixed cost	**4,579**	4,480
Depreciation and amortisation	**329**	315
Site administration cost	**20,479**	14,747
Transportation and stockpile loss	**6,753**	1,601
Royalties and fees	**33,252**	23,843
Royalty	**27,727**	20,896
Air pollution fee	**3,378**	1,313
Customs fee	**2,147**	1,634

GOLD AND METALS

Industry Overview

According to the World Gold Council, gold demand in the first half of 2026 reached 2,522 tonnes, up 2% YoY, with a record value of USD380 billion, while reported mine production for the period was 1,867 tonnes. Gold extended its rally into early 2026, setting successive all-time highs and peaking at approximately USD5,400 per ounce ("**oz**") in late January. Sentiment shifted in the second quarter as renewed inflationary pressures in major economies led market participants to reassess the trajectory of monetary policy and price in a rising probability of policy rate hikes.

The average London Bullion Market Association ("**LBMA**") gold price for the first half of 2026, at approximately USD4,680 per oz, was over 50% higher than the average price in the corresponding period of 2025. As at the end of the reporting period, the LBMA London Fix Price for gold stood at USD4,016 per oz, approximately 9% lower than at the beginning of the year.

The Bank of Mongolia ("**BoM**") and its designated commercial banks purchase gold from producers in Mongolia at prices determined by the LBMA London Fix Price, denominated in Mongolian Togrog ("**MNT**"), which is subject to the lowest applicable 5.0% royalty charged by the GoM according to the relevant provisions under the Minerals Law of Mongolia.

Silver was exceptionally volatile during the reporting period. The metal price reached an all-time high of above USD121 per oz on 29 January 2026, before falling sharply as inflation concerns and expectations of policy rate hikes pushed real yields higher, disproportionately affecting silver, given its greater sensitivity to investment flows. During the reporting period, the average LBMA London Fix Price for silver stood at USD76 per oz, approximately 123% higher compared to the corresponding period in 2025. According to the Silver Institute's World Silver Survey 2026, despite rising supply and an overall contraction in demand, silver is set for a sixth year of deficit, with the deficit widening to 46.3 million ounces.

Gold and Metals Mining Assets

The Group is a 50% equity holder in EM, which owns and operates the BKH gold mine. EM holds Mining License MV-021444 ("**Khundii mining license**"), Mining License MV-021547 ("**AN mining license**") and Exploration License XV-016057 ("**Ulaan exploration license**") through its subsidiary. The Khundii and AN mining licenses cover areas of 2,309 hectares and 4,669 hectares, respectively, and are effective for 30 years from 5 August 2019 and 5 March 2020, respectively. The Ulaan exploration license covers an area of 1,780 hectares, west of the Khundii mining license, and is effective for three years from 16 February 2015, extendable three times by three-year periods. The Group has initiated the process to convert the Ulaan exploration license to mining license according to requirements set by relevant laws and regulations.

The Group holds 50.5% equity interest in Universal Copper LLC ("**UCC**"), which develops the White Hill ("**WTH**") copper deposit and Urkhut ("**URT**") silver deposit. UCC holds Mining License MV-017089 ("**WTH mining license**"), Mining License MV-017579 ("**URT mining license**") and Mining License MV-021014 ("**KHT mining license**"). The WTH, URT and KHT mining licenses cover areas of 2,931 hectares, 5,301 hectares and 6,557 hectares, respectively, and are effective for 30 years from 30 July 2012, 17 July 2014 and 30 January 2018, respectively.

All mining licenses are extendable twice by 20-year periods according to relevant provisions stipulated under the Minerals Law. The above-mentioned licenses are located in Bayankhongor aimag (province), Mongolia.

Gold and Metals Resources and Reserves

Resource estimates for gold and silver contained within the Khundii mining license area were prepared for BKH, Dark Horse ("**DKH**") deposits and AN mining license area in accordance with the JORC Code (2012) standards.

During the first half of 2026, the Group completed an update of the Mineral Resource and Reserve estimates for the deposits within the Khundii mining license area. The updated estimates were prepared by incorporating information obtained from additional exploration and initial mining work of the BKH deposit and reflecting changes in gold metal prices.

The updated resource model has been cut to the surveyed topography of the BKH open-pit as at 30 June 2026 to capture depletion. Overall, the depleted mineral resource estimate for BKH increased as a result of the incorporation of more lower grade material, while retaining its high-grade zones that include 400 Koz gold contained in Measured and Indicated averaging 3.31 g/t at a cut-off grade of 0.6 g/t.

BKH gold deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

Table 5. BKH gold deposit Mineral Resource estimates as at 30 June 2026 (Notes):

Resource Classification	**Quantity (Mt)**	**Gold Grade (Au g/t)**	**Gold (Koz)**	**Silver Grade (Ag g/t)**	**Silver (Koz)**
Measured	3.0	2.13	204	1.12	108
Indicated	4.8	1.66	257	1.17	182
M&I	**7.8**	**1.84**	**461**	**1.15**	**290**
Inferred	0.4	0.91	12	0.99	12
Total	**8.2**	**1.79**	**473**	**1.15**	**302**

Notes:

(i) The Statement of Estimates of Mineral Resources has been compiled by Mr. Oyunbat Bat-Ochir who is a full-time employee of SLR Consulting LLC and a Member of the Australian Institute of Geoscientists. Mr. Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

(ii) Mineral Resources are estimated using a gold price of USD3,900 per oz and a silver price of USD40 per oz.

(iii) Mineral Resource is depleted for the topographic surface dated 30 June 2026.

(iv) Mineral Resources are reported at a cut-off grade of 0.27 g/t Au and constrained by a preliminary optimised pit shell with a pit slope angle of 45^{0}.

(v) Cut-off grade was generated by assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US$3,900 per ounce, an open mining cost of US$2.76 per tonne and a processing cost of US$25.56 per tonne milled, a general and administration cost of US$1.5 per tonne and a processing recovery of 93% for all mineralisation. The conceptual optimised pit shell was constructed using a gold price of US$3,900/oz and a silver price of US$40/oz, with CIP processing recoveries of 93% for Au and 55% for Ag mineralisation.

(vi) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(vii) Numbers may not add due to rounding.

(viii) Mineral Resources have been reported on a 100% equity basis.

The resource model of the DKH deposit was updated with additional exploration and in-fill drilling results. The modeling method and geostatistical estimation methods remained materially consistent with the previous approach. As of 30 June 2026, no mining occurred at the DKH deposit. At the selected cut-off grades, the resource estimate contains additional lower grade material, while retaining its high-grade zones that include 78 Koz gold in all resource categories averaging 3.43 g/t at a cut-off grade of 0.6 g/t.

DKH gold deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

Table 6. DKH gold deposit Mineral Resource estimates as at 30 June 2026 (Notes):

Type	**Indicated Mineral Resource**			**Inferred Mineral Resource**		
	Tonnes (Kt)	**Gold Grade g/t Au**	**Gold (Koz)**	**Tonnes (Kt)**	**Gold Grade g/t Au**	**Gold (Koz)**
Oxide	909	2.12	62	290	0.61	6
Transitional	481	1.07	17	317	0.90	9
Fresh	17	3.28	2	1	7.29	0.2
Total	**1,407**	**1.78**	**80**	**608**	**0.77**	**15**

Notes:

(i) *The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR Consulting LLC and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*

(ii) *All Mineral Resources figures reported in the table above represent estimates as of 30 June 2026. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*

(iii) *Mineral Resources are reported on a dry in-situ basis.*

(iv) *The Mineral Resource is reported using a 0.28 g/t Au cut-off grade in oxide and transition mineralisation and 0.85 g/t Au cut-off in fresh mineralisation and is constrained above the conceptual optimised pit shell with a pit slope angle of 45°. The conceptual optimised pit shell was constructed using a gold price of USD3,900 per oz and a silver price of USD40 per oz with a processing recovery of 55% for Ag mineralisation.*

(v) *Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability.*

During the reporting period, the Group updated mineral resource estimates for the AN deposit. The updated figures represent estimates as at 30 June 2026, are based on drillings completed up to 1 October 2022 and updated metal prices. Metallurgical recoveries were based on preliminary test work carried out on the AN deposit.

AN deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

Table 7. AN deposit Mineral Resource estimates as at 30 June 2026 (Notes):

			Grade					Contained Metal				
Cut-off AuEq g/t	**Resource Classification**	**Quantity (Mt)**	**Au g/t**	**Ag g/t**	**Zn g/t**	**Pb g/t**	**AuEq g/t**	**Au Koz**	**Ag Koz**	**Zn Kt**	**Pb Kt**	**AuEq Koz**
0.18	Indicated	6.8	1.52	11.70	0.54	0.46	1.80	336	2,583	37	32	397
	Inferred	8.1	0.95	5.15	0.43	0.37	1.13	246	1,340	35	30	293
	Total	**14.9**	**1.21**	**8.16**	**0.48**	**0.41**	**1.44**	**582**	**3,923**	**72**	**62**	**690**

Notes:

(i) *JORC Code Standards for Mineral Resource (2012) is used for reporting of Mineral Resource.*

(ii) *The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR Consulting LLC and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*

(iii) *All Mineral Resources figures reported in the table above represent estimates as at 30 June 2026 and are based on drilling completed up to 1st October, 2022. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*

(iv) *Mineral Resources are reported on a dry in-situ basis.*

(v) *Reported at a 0.18 g/t AuEq cut-off above US$3,900/oz pit shell and 0.55 g/t AuEq below the same US$3,900/oz pit shell. Cut-off parameters were selected based on an SLR internal cut-off calculator, which indicated that a break-even cut-off grade of 0.18 g/t Au Equivalent above US$3,900/oz pit and 0.55 g/t AuEq below US$3,900/oz pit, assuming a gold price of US$3,900 per ounce, a silver price of US$40 per ounce, zinc price of US$3,000 per tonne and lead price of US$2,000 per tonne, an open pit mining cost of US$2.75 per tonne and underground mining cost of US$35 per tonne and a processing cost of US$16 per tonne milled and processing recovery of 88.8% Au, 80.6% Ag, 80.4% Pb and 69.1% Zn.*

(vi) *Au Equivalent (AuEq) is calculated using metal price of US$3,900/oz for Au, US$40/oz for Ag, US$2,000/tonne for Pb and US$3,000/tonne for Zn. Adjustment has been made for metallurgical recovery and is based on the company's preliminary testwork results, which used flotation to separate concentrates, including a pyrite concentrate, with credits only for Au and Ag. Based on grades and contained metal for Au, Ag, Pb and Zn, it is assumed that all commodities have reasonable potential to be economically extractable.*

a. *The formula used for Au equivalent grade is: AuEq g/t = Au g/t + Ag g/t*0.0093+Pb%*0.144+Zn%*0.186 with metallurgical recovery of 88.8% Au, 80.6% Ag, 80.4% Pb and 69.1% Zn.*

b. *Au equivalent ounces are calculated by multiplying Mineral Resource tonnage by Au equivalent grade and converting to ounces. The formula used for Au equivalent ounces is: AuEq Oz = Tonnage x AuEq grade (g/t)/31.1035.*

(vii) *Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability*

The Mineral Resource estimate for UN exploration license was commissioned to incorporate data from 56 surface diamond drill holes totalling 15,025 m drilled by EM in 2022. No mining occurred at the license area to date. Mineral Resource has been constrained by topography, overburden surface and the UN exploration license and reported above a gold cut-off grade of 0.15 g/t Au and within a USD3,900 per oz optimised pit constraint for open cut resource and at a cut-off grade of 0.46 g/t Au below the USD3,900 per oz pit shell for the underground resource. Additional mining design and more detailed and accurate cost estimates, mining studies, and test work are required to confirm the viability of extraction.

UN deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

Table 8. UN deposit Mineral Resource, as at 30 June 2026 (Notes):

Resource Classification	**Quantity (Mt)**	**Gold Grade (Au g/t)**	**Gold (Koz)**	**Silver Grade (Ag g/t)**	**Silver (Koz)**
Indicated	2.3	1.30	94	0.93	68
Inferred	1.5	1.10	54	0.56	28
Total	**3.8**	**1.22**	**149**	**0.78**	**96**

Reserve estimates for gold and silver contained within Khundii mining license area were prepared for BKH and DKH deposits in accordance with the JORC Code (2012) standards. During the reporting period, the JORC Reserve optimisation assumptions were updated to reflect the latest technical studies, operating parameters, and forecasts at the BKH mine. Additionally, metal price assumptions were updated, reflecting current market forecasts.

Table 9. Khundii mining license JORC (2012) compliant Mineral Reserves estimate, as at 1 July 2026 (Notes):

BKH deposit:

Classification	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Koz)	Grade (g/t Ag)	Contained Silver (Koz)
Proven	2.8	2.11	189	1.11	99
Probable	4.9	1.51	239	1.13	179
Total	**7.7**	**1.73**	**428**	**1.12**	**278**

Notes:

(i) *The effective date of the Ore Reserve Estimate is 1 July 2026.*

(ii) *The Ore Reserve Estimate has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The technical information supporting the Ore Reserve Estimate has been compiled by Mr. Buyan-Ulzii Narankhuu, a Member of AusIMM (Member #327826), who is a Competent Person as defined by the JORC Code (2012).*

(iii) *The Ore Reserve Estimate is based on conventional open-pit mining method. Mining assumptions include a mining cost of US$2.62/t mined, an incremental mining cost of US$0.028/t-m per bench, ore dilution of 10%, and ore loss of 2.5%.*

(iv) *Pit designs and Ore Reserve estimation are based on geotechnical parameters developed by Fugro. Overall slope angles ranging from 40° to 45° were adopted for the Bayan Khundii deposit based on the March 2021 geotechnical assessment.*

(v) *A metal price of US$3,900/oz gold and US$40/oz silver was applied for pit optimisation and reserve determination. Sensitivity analyses were undertaken using a range of gold prices to evaluate project robustness.*

(vi) *Mining, processing, and administrative cost assumptions applied in the Ore Reserve Estimate are based on current operating and technical study parameters, including a mining cost of US$2.62 per tonne mined, a processing cost of US$33.57 per tonne of ore processed, an additional processing cost of US$0.52 per tonne, a general and administration cost of US$3.67 per tonne processed, and an annual process plant throughput of 650 ktpa.*

(vii) *Metallurgical recovery assumptions are based on test work completed by BCR. Gold recovery for the Bayan Khundii deposit is variable and has been estimated using a recovery formula derived from metallurgical test work. Silver recovery for Bayan Khundii is estimated at 55%.*

(viii) *Royalties and selling costs applied in the Ore Reserve Estimate include a gold royalty of 5% plus an additional 1% royalty payable to Sandstorm Gold Ltd., a silver royalty of 5% plus an additional 3% royalty, and selling costs of US$9.75/oz payable metal.*

(ix) *Estimate has been rounded to reflect accuracy.*

DKH deposit:

Classification	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Koz)	Grade (g/t Ag)	Contained Silver (Koz)
Proven	–	–	–	–	–
Probable	0.8	2.67	67	1.85	46
Total	**0.8**	**2.67**	**67**	**1.85**	**46**

Notes:

(i) The effective date of the Ore Reserve Estimate is 1 July 2026.

(ii) The Ore Reserve Estimate has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The technical information supporting the Ore Reserve Estimate has been compiled by Mr. Buyan-Ulzii Narankhuu, a Member of AusIMM (Member #327826), who is a Competent Person as defined by the JORC Code (2012).

(iii) The Ore Reserve Estimate is based on a conventional open-pit mining method. Mining assumptions include a mining cost of US$2.62/t mined, an incremental mining cost of US$0.028/t-m per bench, ore dilution of 10%, and ore loss of 2.5%.

(iv) Pit designs and Ore Reserve estimation are based on geotechnical parameters developed by Fugro. Overall slope angles ranging from 40° to 45° were adopted for the Dark Horse deposit based on the February 2024 geotechnical assessment.

(v) A metal price of US$3,900/oz gold and US$40/oz silver was applied for pit optimisation and reserve determination. Sensitivity analyses were undertaken using a range of gold prices to evaluate project robustness.

(vi) Mining, processing, and administrative cost assumptions applied in the Ore Reserve Estimate are based on current operating and technical study parameters, including a mining cost of US$2.62 per tonne mined, a processing cost of US$33.57 per tonne of ore processed, an additional processing cost of US$0.52 per tonne, a general and administration cost of US$3.67 per tonne processed, and an annual process plant throughput of 650 ktpa.

(vii) Metallurgical recovery assumptions are based on test work completed by BCR in 2023. Gold recovery for the Dark Horse deposit is estimated at 89%, while silver recovery is estimated at 55%.

(viii) Royalties and selling costs applied in the Ore Reserve Estimate include a gold royalty of 5% plus an additional 1% royalty payable to Sandstorm Gold Ltd., a silver royalty of 5% plus an additional 3% royalty, and selling costs of US$9.75/oz payable metal.

(ix) Estimate has been rounded to reflect accuracy.

Resource estimates for copper and other metals contained within WTH mining license area were prepared under the JORC Code (2012).

Table 10. WTH Mineral Resource estimate, as at 31 December 2025 (Notes):

Classification	Ore (Mt)	Metal contained Cu (kt)	Au (Koz)	Ag (Koz)	CuEq (kt)
Measured	2.1	47	19	911	52
Indicated	7.6	98	33	1,511	107
Inferred	2.3	17	4	200	18
Total	**12.1**	**162**	**56**	**2,622**	**177**

Notes:

1. *The Mineral Resource is reported at a 0.17% CuEq cut-off for oxide mineralisation and 0.2% CuEq cut-off for transition and fresh mineralisation within an optimised pit shell derived using a price of USD9,546 per tonne for Cu and USD2,962 per oz for Au, USD36 per oz for Ag which equates to 110% of the long-term consensus commodity price forecast as of October 2025. Cut-off parameters were selected based on an Glogex internal cut-off calculator, which indicated a break-even cut-off grade of 0.17% CuEq for oxide, 0.2% CuEq for transition/fresh mineralisation, a USD9,546 per tonne Cu, a USD2,962 per troy oz gold and USD36 per troy oz silver price, processing cost of USD8 per tonne milled for oxide, processing cost of USD12 per tonne milled for trans/fresh mineralisation, general and administration cost of USD1.5 per tonne mined, mining dilution of 5% and ore loss of 5% and processing recovery of 60% Cu and 45% Au for oxide, 85.3% Cu, 36.2% Au and 65.9% for Ag recoveries for transition and fresh mineralisation with flotation processing to produce Cu concentrate with Au and Ag credits. No mining cost was used in break-even cut-off grade calculation while mining cost of USD1.8 per tonne was used in pit optimisation.*

2. *The formula used for Cu equivalent grade are: Oxide CuEq % = Cu % + Au ppm * 0.74827, assuming 60% Cu and 45% Au metallurgical recoveries. Transition/fresh CuEq % = Cu % + Au ppm * 0.42340 + Ag ppm *0.00944 assuming 85.3% Cu, 36.2% Au and 65.9% Ag metallurgical recoveries.*

3. *Cu equivalent tonnes are calculated by multiplying Mineral Resource tonnage by Cu equivalent grade and converting for tonnes. The formula used for Cu equivalent tonne is: CuEq t = Tonnage x CuEq grade (%)/100.*

Resource estimates for gold and silver contained within URT mining license area were prepared under the JORC Code (2012).

Table 11. URT Mineral Resource estimate, as at 31 December 2025 (Notes):

Classification	Ore (Mt)	Metal contained Ag (Koz)	Au (Koz)	AgEq (Koz)
Indicated	17.6	13,557	49	16,421
Inferred	29.5	22,785	86	27,751
Total	**47.1**	**36,342**	**135**	**44,172**

Notes:

1. *The Mineral Resource is reported at a 16 g/t AgEq cut-off within the USD50 per oz for Ag and USD3,000 per oz Au pit shell for the resource. Cut-off parameters were selected based on an Glogex internal cut-off calculator, which indicated a break-even cut-off grade of 16 g/t AgEq, an open cut mining method, a USD50 per oz silver price, a USD3,000 per oz gold price, an open cut mining cost of USD1.45 per tonne, a processing cost of USD12 per tonne milled, general and administration cost of USD1 per tonne mined, mining dilution of 2% and ore loss of 2% and processing recovery of 90.7% Ag and 87.8% Au with flotation processing to produce Ag and Au concentrate.*

2. *The formula used for Au equivalent grade is: AgEq g/t = Ag g/t + Au g/t*58.08 and assumes 90.7% and 87.8% metallurgical recoveries for Ag and Au respectively.*

3. *Ag equivalent oz are calculated multiplying Mineral Resource tonnage by Ag equivalent grade and converting for oz. The formula used for Ag equivalent oz is: AgEq oz = Tonnage x AgEq grade (g/t)/31.1035.*

4. *Mineral Resources have been reported on a 100% equity basis.*

5. *Mineral Resources referred to above, have not been subject to detailed economic analysis and, therefore, have not been demonstrated to have actual economic viability.*

During the second half of 2026, the Group plans to perform works such as geological and hydrogeological exploration drilling and modeling, bulk sampling, metallurgical testing to obtain the required inputs for preparation of the relevant technical reports (including updated JORC Resource and Reserve statements) and complete feasibility study for advancing development within areas covered under minerals exploitation special permits held by UCC.

Production and Sales

The BKH processing plant, which has annual nameplate capacity of 650 Kt ore feed, consists of single stage crushing, two-stage grinding via a semi-autogenous followed by ball grinding circuit, cyanide leaching, adsorption via carbon-in-pulp methods, elution via the pressure zadra, electrowinning and furnace smelting to produce doré (unrefined gold-silver) bars.

Following the commencement of commercial production in September 2025, the management has been focusing on refining its operations at the BKH gold mine with improved ore control and mine-to-mill practices which significantly reduced dilution and ore loss. During the first half of 2026, the Group mined and processed 402.1 Kt and 303.9 Kt of ore, respectively. The average gold grade of processed ore was 2.2 g/t with recovery rate of 96.3%.

The Group sold 20,236 oz of gold and 6,452 oz of silver to the BoM and its authorised commercial banks during the six months ended 30 June 2026, generating total revenue of USD94.7 million. ASP was USD4,654 per oz for gold and USD76 per oz for silver, respectively, during the reporting period.

Cost of Revenue

Mining costs cover overburden and topsoil removal, and ore extraction, including costs related to staff, equipment, fuel cost, and fees to drilling and blasting contractors. Processing costs include staff cost, ore crushing and grinding cost, power and water costs, reagents and consumables, and maintenance costs.

Table 12. Cost of revenue:

	Six months ended 30 June 2026 ***(USD'000)***
Cost of revenue	**45,915**
Mining cost	**11,874**
Variable cost	**7,055**
Fixed cost	**2,652**
Depreciation and amortisation	**2,167**
Processing cost	**20,470**
Variable cost	**14,242**
Fixed cost	**4,358**
Depreciation and amortisation	**1,870**
Site administration cost	**7,670**
Royalty and fees (including assay cost and transportation cost)	**5,901**

SUSTAINABILITY

The Group was the first company in Mongolia to adopt and implement the Towards Sustainable Mining ("**TSM**") standard since 2023, which is a globally recognised sustainability program developed by the Mining Association of Canada ("**MAC**") to support mining companies in managing key environmental and social risks. During the reporting period, the Group completed its regular annual TSM self-assessment. The self-assessment scores and externally verified scores are publicly reported and accessible at MAC's website.

In the latest assessment, the Group made progress under the Indigenous and Community Relationships protocol, with improvements recorded across community of interest identification, engagement and dialogue, response mechanism, and impact and benefit management. The Group recorded its first results under the Equitable, Diverse, and Inclusive Workplace protocol, and the Tailings Management protocol remain areas of focus for further improvement.

The Group maintains its ISO Management System, which covers ISO 14001 Environmental Management and ISO 45001 Occupational Health and Safety certifications, while continuing the implementation of the newly adopted ISO 46001 Water Efficiency Management Systems.

People and Safety

As of 30 June 2026, the Group had 3,366 employees (as of 30 June 2025: 3,105 employees), including 2,923 employees in its coking (metallurgical) coal operations and 443 employees in its gold and metals operations. 1,256 employees were recruited locally at both operations, representing 37% of total workforce. Female employees represented 14% of the total workforce and 37% of management positions.

Employees are remunerated with reference to individual performance, experience, qualification and prevailing salary trends in the local market. With reference to the Group's financial and operational performance, employees may also enjoy other benefits such as discretionary bonus and share options pursuant to the Company's Share Option Scheme. On 2 July 2026, the Parliament adopted amendments to the General Law on Social Insurance, which will be effective from 1 January 2027, which cap the earnings base for employer social insurance contributions, reduce industrial accident insurance contribution rates and introduce a voluntary pension savings mechanism. The Group expects the amendments to have a positive impact on employees.

The Group remains focused on capacity building across its workforce, with 18,944 training participations recorded within the coking (metallurgical) coal operations across more than 160 programs and 3,242 training participations recorded within the gold and metals operations across 151 training sessions covering safety, professional development and general skills in the first half of 2026. Five rounds of heavy machinery operator training resulted in the certification of 95 individuals.

The Group's coking (metallurgical) coal operations recorded 8.7 million man-hours worked with 3 Lost Time Injuries ("**LTIs**") in the first half of 2026, resulting in Lost Time Injury Frequency Rate ("**LTIFR**") of 0.34 LTIs per million man-hours worked (1H2025: 0.76), while its gold and metals operations recorded 1.0 million man-hours worked with 1 LTI, representing an LTIFR of 1.00 per million man-hours worked (1H2025: 0.00). No fatalities were recorded during the reporting period at the Group's operations.

OUTLOOK AND BUSINESS STRATEGIES IN 2026

This section in this announcement includes forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond the Company's control.

The Company remains fully committed to pursuing its key strategies in order to maintain and enhance its competitive position as the largest internationally listed private mining company with operations focused on and located in Mongolia: (i) maintaining an adequate capital structure by implementing prudent financial policy; (ii) scaling up production and sales volumes by maximising assets utilisation; (iii) supporting the initiatives to improve and develop regional infrastructure; (iv) exploring opportunities for expanding and diversifying its business operations through potential strategic cooperation and joint venture arrangements, and also identifying possible investment targets, preferably in Mongolia; and (v) adhering to safety, environment and socially responsible operations.

Forward-looking statements in this announcement or elsewhere speak only as of the date made. New uncertainties and risks arise from time to time, and it is impossible for the Company to predict these events or how they may affect the Company. Except as required by law, the Company has no duty to, and does not intend to, update or revise the forward-looking statements in this announcement or elsewhere after the date this announcement is issued.

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

FINANCIAL REVIEW

Revenue

The Group generated a total revenue of USD586.2 million during the first half of 2026 (1H2025: USD346.6 million), of which USD491.5 million was attributable to its coking (metallurgical) coal operations and USD94.7 million was attributable to its gold and metals operations, representing 84% and 16% of the total revenue, respectively.

Cost of revenue and gross profit

Total cost of revenue amounted to USD451.3 million in the first half of 2026 (1H2025: USD283.8 million), comprising USD405.4 million attributable to the coking (metallurgical) coal operations and USD45.9 million to the gold and metals operations.

The Group recorded a gross profit of USD134.9 million for the first half of 2026, compared to USD62.9 million in the first half of 2025.

Selling and distribution costs

Selling and distribution costs relate to the Group's coal sales activities in China and mainly comprise agent fees, warehousing and handling costs, and regulatory fees incurred in connection with coal imports into China. Selling and distribution costs were USD17.5 million during the first half of 2026, compared with USD15.8 million in the corresponding period in 2025.

General and administrative expenses

General and administrative expenses primarily relate to staff costs, share option expenses, consultancy and professional fees, donations, depreciation and amortisation of office equipment and other expenses. For the six months ended 30 June 2026, the Group's general and administrative expenses were USD15.7 million (1H2025: USD12.7 million). The increase in general and administrative expenses was mainly attributable to higher staff costs due to increase in headcount.

Indebtedness and net finance costs

As at 30 June 2026, the Group's outstanding indebtedness was USD400.0 million, consisting of USD350.0 million Senior Notes due 2030 and USD50.0 million bank borrowing obtained by EM (USD40.0 million outstanding as at the date of this announcement).

Net finance costs primarily comprised (i) interest expense on the Senior Notes due 2030; (ii) interest expense on the bank borrowing; (iii) foreign exchange gains and losses; and (iv) interest income from cash and cash equivalents. Net finance costs decreased to USD18.9 million during the reporting period from USD27.2 million in the corresponding period of 2025.

A breakdown of net finance costs, borrowings and Senior Notes is set out in notes 5, 13 and 14 to the consolidated financial statements.

The Group's gearing ratio, calculated based on the carrying amount of total bank and other borrowings divided by total assets, was 16% as at 30 June 2026 (31 December 2025: 17%).

Profit for the period

The Group's profit and the profit attributable to equity shareholders of the Company for the first half of 2026 was USD105.9 million and USD89.0 million, respectively (1H2025: loss and loss attributable to equity shareholders of the Company of USD19.9 million and USD23.3 million, respectively). The increase in profit was primarily attributable to higher washed coking coal sales volume and ASP, profit contribution from the Group's gold and metals segment, and other net income.

Non-IFRS measure

The Group's adjusted EBITDA for the reporting period was USD169.2 million (1H2025: USD94.1 million), with 70% from its coking (metallurgical) coal operations and 30% from its gold and metals operations. Adjusted EBITDA is not a recognised measure of financial performance or liquidity under IFRS. It is used by management to monitor the underlying performance of the business and operations and is presented as an important supplemental measure of performance. The Group believes that this measure is widely used within the industry in which the Group operates to evaluate operating performance and liquidity. As non-IFRS financial measures are not uniformly defined and may not be calculated on a consistent basis across companies, adjusted EBITDA may not be directly comparable with similarly titled measures presented by other companies.

Cash flow

Table 13. Combined cash flow:

	Six months ended 30 June	
	2026	2025
	(USD'000)	*(USD'000)*
Net cash generated from operating activities	**180,139**	93,209
Net cash used in investing activities[1]	**(90,749)**	(118,341)
Net cash (used in)/generated from financing activities	**(23,989)**	103,629
Net increase in cash and cash equivalents	**65,401**	78,497
Cash and cash equivalents at the beginning of the period	**223,948**	140,521
Effect of foreign exchange rate changes	**5,060**	694
Cash and cash equivalents at the end of the period	**294,409**	219,712

Note:

1. *USD76.9 million was attributable to the coking (metallurgical) coal segment, comprising (i) USD67.4 million used for deferred stripping activities; (ii) USD13.1 million used for the acquisition of property, plant and equipment; and (iii) USD3.6 million interest receipt. USD13.8 million was attributable to the gold and metals segment, comprising (i) USD5.3 million used for deferred stripping activities; (ii) USD2.8 million used for the acquisition of property, plant and equipment; (iii) USD6.0 million of deferred consideration paid in relation to the acquisition of UCC; and (iv) USD0.3 million interest receipt.*

Capital commitments and capital expenditures

As at 30 June 2026 and 31 December 2025, the capital commitments were as follows:

Table 14. Capital commitments:

	As at 30 June 2026 ***(USD'000)***	As at 31 December 2025 (USD'000)
Contracted for	19,879	10,155
Authorised but not contracted for	3,831	22,502
Total	**23,710**	32,657

Table 15. The Group's historical capital expenditure for the periods indicated:

	Six months ended 30 June	
	2026 ***(USD'000)***	2025 *(USD'000)*
CHPP	236	708
BKH mine capital development	2,764	28,557
Trucks and equipment	–	17,052
Others	12,857	10,227
Total	**15,857**	56,543

Foreign exchange risk

As at 30 June 2026, the Group's cash and cash equivalents were mainly held in RMB, USD and MNT.

The Group's coal sales are denominated mainly in RMB, while its gold and silver sales to BoM are settled in MNT. All borrowings of the Group are denominated in USD.

Significant investments held

As at 30 June 2026, the Company did not hold any significant investment.

Material acquisitions and disposal of subsidiaries, associated companies and joint ventures

For the six months ended 30 June 2026, the Company did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

Contingent liabilities

As at 30 June 2026, the Company has contingent liability in respect of the consideration adjustments for the acquisition of BN mine pursuant to the share purchase agreement entered into by and among the Company, its subsidiary Mongolian Coal Corporation Limited, Quincunx (BVI) Ltd. and Kerry Mining (Mongolia) Limited on 31 May 2011 in relation to the acquisition of the entire share capital of Baruun Naran Limited (formerly known as QGX Coal Ltd.), which may arise from the royalty provision. Under the royalty provision, an additional LOM payment of USD6 per tonne may be payable in each semi-annual period, if the specified semi-annual ROM production exceeds 5.0 Mt. The Company considers the probability of royalty provision to be very low.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2026, the Company repurchased a total of 4,524,000 of its own shares on the Stock Exchange at an aggregate cost of approximately HKD41.3 million (equivalent to USD5.3 million), of which 3,126,000 shares were cancelled during the reporting period. The remaining 1,398,000 repurchased shares were subsequently cancelled on 10 August 2026.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities or sold any treasury shares during the reporting period.

The Company intends to continue repurchasing its shares after comprehensively considering its business prospects, operating performance, financial condition, future profitability, and the recent performance of its shares in the secondary market.

Other and subsequent events

In July 2026, the Company repurchased a total of 10,950,000 of its own shares on the Stock Exchange at an aggregate cost of approximately HKD73.5 million (equivalent to USD9.4 million). The repurchased shares were subsequently cancelled.

Save as disclosed in this interim results announcement, there have been no events subsequent to 30 June 2026 which require adjustment to or disclosure in this interim results announcement.

Dividend

The Board does not recommend the payment of dividend in respect of the six months ended 30 June 2026 (dividend for the six months ended 30 June 2025: nil).

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors and all the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by relevant employees (the "**Employees Written Guideline**") who are likely to possess inside information of the Company. No incident of non-compliance with the Employees Written Guideline by the employees was noted by the Company during the reporting period.

Corporate Governance

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Listing Rules as its code of corporate governance and has complied with all applicable code provisions set out in the CG Code during the six months ended 30 June 2026.

Review by Audit Committee

The Audit Committee of the Company currently comprises one non-executive Director, Ms. Enkhtuvshin Gombo, and three independent non-executive Directors, namely Mr. Chan Tze Ching, Ignatius, Ms. Delgerjargal Bayanjargal and Dr. Tsend-Ayush Tuvshintur. Mr. Chan Tze Ching, Ignatius is the chairman of the Audit Committee.

The Audit Committee of the Company, together with the management, have reviewed the accounting principles and practice adopted by the Group, and also discussed issues related to financial reporting, including the review of the Group's unaudited interim results for the period under review. The Audit Committee is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

The interim financial results are unaudited but derived from the interim financial report reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants.

Publication of the 2026 Unaudited Consolidated Interim Results and 2026 Interim Report

This interim results announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.mmc.mn), and the 2026 Interim Report containing all the information required by the Listing Rules will be published on the above-mentioned websites in due course.

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

Hong Kong, 20 August 2026

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive Directors, Ms. Enkhtuvshin Gombo and Mr. Ariunbayar Byambadorj, being the non-executive Directors, and Mr. Chan Tze Ching, Ignatius, Ms. Delgerjargal Bayanjargal and Dr. Tsend-Ayush Tuvshintur, being the independent non-executive Directors.