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MONGOLIAN MINING CORPORATION
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 975)

**OPERATIONAL UPDATE
FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 2024. The comparative figures for the quarter ended 30 September 2023 and the quarter ended 30 June 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 2025.

Coking (metallurgical) coal operations

During the quarter ended 30 September 2024, the Group’s run-of-mine (“**ROM**”) coal mining combined output from UHG and BN mines was 4,298.9 thousand tonnes (“**kt**”), representing 23% year-on-year (“**YoY**”) increase compared to the corresponding period ended 30 September 2023 and 10% quarter-on-quarter (“**QoQ**”) decrease compared to the previous quarter ended 30 June 2024.

The Group processed 3,658.7 kt of ROM coking coal to produce 1,928.9 kt of washed coking coal products, thus remaining flat compared to the corresponding quarter of 2023.

The Group’s operating subsidiaries ER and KEX sold a total of 2,031.4 kt of washed coking coal products in the third quarter of 2024, representing 16% YoY increase compared to the corresponding period of 2023 and 12% QoQ decrease from levels reported for the previous quarter ended 30 June 2024.

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 September 2024:

Item	Unit	The quarter ended 30 September 2024	The quarter ended 30 September 2023	YoY change (%)	The quarter ended 30 June 2024	QoQ change (%)
ROM coal mined	kt	4,298.9	3,509.3	+23%	4,791.9	-10%
ROM coking coal processed	kt	3,658.7	3,903.3	-6%	4,060.1	-10%
Washed coking coal produced	kt	1,928.9	1,931.2	0%	2,223.8	-13%
Washed coking coal sold	kt	2,031.4	1,747.1	+16%	2,314.3	-12%

The overall coking coal market conditions weakened during the third quarter of 2024, due to the performance of the Chinese steel sector. Consequently, the volume of washed hard coking coal (“HCC”) auctioned by the Group decreased during the quarter ended 30 September 2024 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/369>).

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

Period	HCC auctioned volume (tonnes)	Weighted average price (RMB/tonne)
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
Year to Date	2,073,600	1,260

Gold and metals operations

During the quarter ended 30 September 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 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 55.0% completed as of 30 September 2024. Also, the Group has advanced to constructing non-process facilities, including the accommodation camp, workshops, warehouses and laboratory.

EM completed an ore control drill program consisting of 89 shallow diamond drill holes totaling 1,048 metres during the third quarter of 2024. This program was focused on the ore contained within 15 metres from topographic surface covered by short-term mine planning and scheduled to be initially mined according to the BKH mine development schedule. Additionally, 10 holes, totaling 456 metres, were drilled to greater depth to provide the geological information required for future mid- and long-term mine planning. The program utilised diamond core to gather details on the orientation and character of ore zones within designed pit-shell limits. More detailed information about the drilling program is publicly available at the following link: <https://erdene.com/en/news/2024/erdene-reports-strong-drill-results-and-provides-mine-development-update-for-the-bayan-khundii-gold-project/>.

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, 14 October 2024

As at the date of this announcement, the Board 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 and Mr. Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.