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## **MONGOLIAN MINING CORPORATION**

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

**(Stock Code: 975)**

### **CONTINUING CONNECTED TRANSACTIONS ANNOUNCEMENT (I) IN RELATION TO REVISION OF ANNUAL CAPS AND AMENDMENT OF THE TERMS OF EM POWER PURCHASE AGREEMENT; AND (II) PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

#### **(I) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE REVISION OF ANNUAL CAPS AND AMENDMENT OF THE TERMS OF EM POWER PURCHASE AGREEMENT**

Reference is made to (i) the announcement of the Company dated 26 January 2024 (the “**Announcement**”) published pursuant to Rule 14A.60(1) of the Listing Rules in relation to, among others, the continuing connected transaction of the Group constituted under the EM Power Purchase Agreement; and (ii) the announcement of the Company dated 28 March 2024 in relation to the continuing connected transactions constituted under the 2024 Energy Resources Power System Agreement and the 2024 Khangad Exploration Power Distribution Facilities Agreement.

#### **THE AMENDMENT AGREEMENT**

As disclosed in the Announcement, the EM Power Purchase Agreement was entered into between EM and MCS International on 27 October 2023, whereby MCS International agreed to supply, install, operate and maintain a power solution for the Bayan Khundii project of EM, and to provide a minimum 92% power availability at a minimum of 4.4MW, measured over any 12 months period, starting from 27 October 2023 to 31 August 2031. The total payment for these services is approximately US\$48,407,981, with the maximum annual payment being approximately US\$10,124,400, as stated in the Announcement. For further details of the EM Power Purchase Agreement, please refer to the Announcement.

On 25 April 2025, EM entered into the Amendment Agreement with MCS International to amend certain terms of the EM Power Purchase Agreement for the purpose of enhancing the power supply availability and reliability for the BKH mine, extending the power system's operating lifespan (from previously 7-25 years under the hybrid (diesel-solar-battery) power solution to 40 years under OHTL power solution), and reducing the dependency of diesel availability and diesel price volatility which is considered beneficial to EM in the near- and long-term. Consequently, additional operation and maintenance services will be required under the OHTL power solution. These services include operation and maintenance of the high-voltage electrical systems, including equipment and distribution lines as well as two heating stations (including thermal coal handling) at the BKH mine.

Furthermore, pursuant to the Amendment Agreement, the term of the EM Power Purchase Agreement has been amended to cover the period until 31 March 2027, which aligned with the Group's other existing agreements of a similar nature with MCS International, namely the 2024 Energy Resources Power System Agreement and the 2024 Khangad Exploration Power Distribution Facilities Agreement. As a result of the foregoing, the maximum annual payment for the transactions contemplated under the EM Power Purchase Agreement for the twenty three months ending 31 March 2027 have been revised.

The Power Agreements (inclusive of the EM Power Purchase Agreement as amended by the Amendment Agreement) has been aggregated under the Listing Rules on the basis that they all relate to the operation and maintenance of facilities and distribution and/or supply of electricity by MCS International to the Group.

## **LISTING RULES IMPLICATIONS**

MCS International is a wholly-owned subsidiary of MCS Holding LLC which is in turn wholly-owned and controlled by MCS Mongolia LLC, which directly owns 100% shareholding interest in MCS Mining Group, a substantial Shareholder holding approximately 30.91% of the issued share capital of the Company as at the date of this announcement. As such, MCS International is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Power Agreements (which include (i) the 2024 Energy Resources Power System Agreement; (ii) the 2024 Khangad Exploration Power Distribution Facilities Agreement; and (iii) the EM Power Purchase Agreement as amended by the Amendment Agreement) constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio for the revised annual caps for the continuing connected transactions contemplated under the Power Agreements (on an aggregated basis) is expected to exceed 0.1% but less than 5%, the transactions contemplated under the Power Agreements are subject to the reporting and announcement requirements, but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **(II) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

Reference is made to the announcements of the Company dated 11 January 2023 and 25 January 2024 in relation to, *inter alia*, the subscription of the securities in the Investee for a total consideration of US\$40 million and the Closing under the Investment Agreement.

Following the Closing and as at the date of this announcement, the Company (through its direct wholly-owned subsidiary) holds 50% equity interest in the Investee and the Investee is a subsidiary of the Company.

Based on the financial results of the Company for the year ended 31 December 2023, the Investee Group had been an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules, therefore ERD had not been regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

Based on the financial results of the Company for the year ended 31 December 2024, the applicable percentage ratios of the Investee Group, as defined under Rule 14A.09 of the Listing Rules, exceeded 5%, and therefore the Investee Group was no longer an insignificant subsidiary of the Company. Accordingly, ERD has become a connected person at the subsidiary level and the NSR Agreement shall constitute a continuing connected transaction of the Group under Chapter 14A of the Listing Rules. The NSR Entitlement is a security under a shareholder loan granted by the Company to EM.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules, including publication of an announcement and annual reporting in respect of the continuing connected transactions contemplated under the NSR Agreement. The Company will further comply with all applicable reporting, disclosure and, if applicable, independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the NSR Agreement.

## **(I) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE REVISION OF ANNUAL CAPS AND AMENDMENT OF THE TERMS OF EM POWER PURCHASE AGREEMENT**

### **BACKGROUND**

Reference is made to (i) the Announcement pursuant to Rule 14A.60(1) of the Listing Rules in relation to, among others, the continuing connected transaction of the Group constituted under the EM Power Purchase Agreement; and (ii) the announcement of the Company dated 28 March 2024 in relation to the continuing connected transactions constituted under the 2024 Energy Resources Power System Agreement and the 2024 Khangad Exploration Power Distribution Facilities Agreement.

### **THE AMENDMENT AGREEMENT**

As disclosed in the Announcement, the EM Power Purchase Agreement was entered into between EM and MCS International on 27 October 2023, whereby MCS International has agreed to supply, install, operate and maintain a power solution for the Bayan Khundii project of EM, and to provide a minimum 92% power availability at a minimum of 4.4MW, measured over any 12 months period, starting from 27 October 2023 to 31 August 2031. The total payment for these services is approximately US\$48,407,981, with the maximum annual payment being approximately US\$10,124,400, as stated in the Announcement. For further details of the EM Power Purchase Agreement, please refer to the Announcement.

On 25 April 2025, EM entered into the Amendment Agreement with MCS International to amend certain terms of the EM Power Purchase Agreement for the purpose of enhancing the power supply availability and reliability for the BKH mine, extending the power system's operating lifespan (from previously 7-25 years under the hybrid (diesel-solar-battery) power solution to 40 years under OHTL power solution), and reducing the dependency of diesel availability and diesel price volatility which is considered beneficial to EM in the near- and long-term. Consequently, additional operation and maintenance services will be required under the OHTL power solution. These services include operation and maintenance of the high-voltage electrical systems, including equipment and distribution lines, as well as two heating stations (including thermal coal handling) at the BKH mine.

Furthermore, the term of the EM Power Purchase Agreement (as amended by the Amendment Agreement) has been amended to cover the period until 31 March 2027, which aligned with the Group's other existing agreements of a similar nature with MCS International, namely the 2024 Energy Resources Power System Agreement and the 2024 Khangad Exploration Power Distribution Facilities Agreement.

As a result of the foregoing, the maximum annual payment for the transactions contemplated under the EM Power Purchase Agreement for the twenty three months ending 31 March 2027 have been revised.

The Power Agreements (inclusive of the EM Power Purchase Agreement as amended by the Amendment Agreement) has been aggregated under the Listing Rules on the basis that they all relate to the operation and maintenance of facilities and distribution and/or supply of electricity by MCS International to the Group.

### **Material terms of the Amendment Agreement**

Set out below are the material terms of the Amendment Agreement. Save for the amendments as stated below, all other principal terms and conditions of the EM Power Purchase Agreement shall remain in force and effect.

#### ***Date:***

25 April 2025

#### ***Parties:***

EM as Buyer

MCS International as Supplier

#### **Principal terms:**

Pursuant to the Amendment Agreement, MCS International agreed to provide services for the supply, installation, operation, and maintenance of the OHTL power solution during the term of the Amendment Agreement.

Under the OHTL power solution, a 100kV transmission line will be established, connecting the BKH mine site – via the 110/11kV Bayan Khundii substation equipped with a 16MVA transformer – to the Nariin Sukhait substation, spanning a distance of approximately 242 km.

Additionally, the facilities consist of a back-up power plant at the BKH mine site, consisting of two 2,750 kVA diesel generators and a guaranteed supply of 6.5MW from the Chinese grid, with up to 11MW capacity available and an option to upgrade to 22MW (collectively, the “**Facilities**”). The Facilities are set to provide a minimum guaranteed power availability of 6.5MW and minimum power reliability of 93%, measured over any 12 months period, starting from 1 June 2025 until the expiry of the Amendment Agreement.

**Term of the Amendment Agreement with MCS International:**

The Amendment Agreement with MCS International will be effective from 25 April 2025 to 31 March 2027.

**Consideration:**

The total consideration payable by EM to MCS International under the Amendment Agreement, which equals to the sum of the annual caps for the twenty three months ending 31 March 2027, is MNT134,745,776,343 (equivalent to approximately US\$37,742,752), including VAT, other applicable taxes and all other costs to be incurred by MCS International in providing the services as set out in the Amendment Agreement.

The monthly fee consists of variable and fixed charges where fixed charge is determined by taking into account fixed costs to be incurred by MCS International such as costs of machineries, equipment, tools and consumables used for maintenance and servicing of facilities, labor costs including salary, transportation, insurance, and safety for personnel of MCS International, other work related direct expenses, overheads to cover indirect expenses, and a profit margin; whereas variable portion of the monthly fee is determined based on agreed electricity tariff applicable for the electricity produced and covers variable costs related to the supply of the electricity such as consumables, operations and maintenance, diesel for internal usage of the back-up power plant, costs of running machineries and equipment, etc. The costs, electricity tariff and profit margin applicable to the services were determined on an arm’s length basis between the Group and MCS International.

EM shall be responsible for the costs of the supplies of water, coal, spare parts, machineries, materials, lubricants and equipment mechanism and other supplies required for the operation and overhaul of the Facilities in relation to the performance of services to be provided by MCS International under the Amendment Agreement.

**Payment terms:**

The monthly fee will be paid in MNT by EM on a monthly basis within 20 business days upon receipt of a valid invoice from MCS International.

**Historical transaction amounts:**

Under the EM Power Purchase Agreement, the maximum annual payment was estimated to be approximately US\$10,124,400. There was no transaction incurred under the EM Power Purchase Agreement as at the date of this announcement.

**Revised annual caps:**

The revised annual caps for the transactions contemplated under the EM Power Purchase Agreement as amended by the Amendment Agreement are set out below:

<b>Financial year ending</b>	<b>Revised annual caps</b>	<b>Period covered</b>
31 December 2025	MNT39,855,797,662 (equivalent to approximately US\$11,163,745)	12 months from 1 January 2025 to 31 December 2025
31 December 2026	MNT72,857,523,211 (equivalent to approximately US\$20,407,641)	12 months from 1 January 2026 to 31 December 2026
31 December 2027	MNT22,032,455,470 (equivalent to approximately US\$6,171,366)	3 months from 1 January 2027 to 31 March 2027

The revised annual caps were determined after taking into account (i) the negotiated energy tariff; (ii) anticipated electricity consumption volume; (iii) capital expenditures required for the establishment of the Facilities; (iv) projected payments during any suspension period; (v) cost of additional energy beyond the guaranteed amount; (vi) VAT and other taxes; (vii) inflation rate, exchange rate and cost of materials, particularly diesel; and (viii) contingencies that would be applicable and payable for the services provided by MCS International under the EM Power Purchase Agreement as amended by the Amendment Agreement. There is an increase in the annual cap for the year ending 31 December 2026 because (i) the hybrid option annual caps did not include the diesel fuel cost for power; (ii) the previous annual caps did not include any provision for additional power consumption beyond the minimum guaranteed offtake for increasing the mine throughput; (iii) inclusion of the additional operations and maintenance services for high-voltage power systems and heating; and (iv) the provision of contingency.

**Reasons for the transaction:**

Due to the importance of ensuring continuity of services under the EM Power Purchase Agreement with MCS International, EM entered into the Amendment Agreement with MCS International on 25 April 2025, selecting the OHTL power supply option thereunder. This is expected to be commercially beneficial to EM in the near- and long-term with the enhancement of power supply availability and reliability for the BKH mine, extension of the power system's operating lifespan (from the previous 7-25 years under the hybrid (diesel-solar-battery) power solution to 40 years under OHTL power solution), and reduction in dependency of diesel supply availability and diesel price volatility.

In accordance with the Law on Energy of Mongolia, only entities that hold special licenses granted by the relevant state agencies of Mongolia can undertake power generation, distribution and supply operations in Mongolia. MCS International is one of the only four licensed entities capable of providing all service areas, particularly for the Bayan Khundii project of EM, given its experience and cooperation with the Group's other subsidiaries.



## **INFORMATION ON THE GROUP**

The Company together with its subsidiaries is the largest producer and exporter of high-quality washed hard coking coal in Mongolia. The Group owns and operates the UHG and the Baruun Naran open-pit coking coal mines, both located in the Umnugobi aimag (South Gobi province), Mongolia.

The Group, through its subsidiaries, is also engaged in the exploration of gold and other precious metals.

## **INFORMATION ON THE SUPPLIER**

MCS International, a wholly-owned subsidiary of MCS Holding LLC, is principally engaged in project management, design, engineering, operation and maintenance of power plant, electricity and thermal energy distribution facilities, and supply of electricity and thermal energy.

## **LISTING RULES IMPLICATIONS**

MCS International is a wholly-owned subsidiary of MCS Holding LLC which is in turn wholly-owned and controlled by MCS Mongolia LLC. MCS Mongolia LLC directly owns a 100% shareholding interest in MCS Mining Group, a substantial Shareholder holding approximately 30.91% of the issued share capital of the Company as at the date of this announcement. Mr. Odjargal Jambaljamts and Mr. Od Jambaljamts hold approximately 58.18% and 30.67% respectively in MCS Mongolia LLC. As such, MCS International is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Power Agreements (which include (i) the 2024 Energy Resources Power System Agreement; (ii) the 2024 Khangad Exploration Power Distribution Facilities Agreement; and (iii) the EM Power Purchase Agreement as amended by the Amendment Agreement) constitute continuing connected transactions of the Company.

As disclosed in the announcement of the Company dated 28 March 2024, the Power Agreements have been aggregated under the Listing Rules on the basis that they all relate to the operation and maintenance of facilities and distribution and/or supply of electricity by MCS International to the Group. Please refer to the details of the revised annual caps of the Power Agreements below after the revision of annual caps under the EM Power Purchase Agreement as amended by the Amendment Agreement. For the sake of clarity, the annual caps of (i) the 2024 Energy Resources Power System Agreement; and (ii) the 2024 Khangad Exploration Power Distribution Facilities Agreement have not been revised.

<b>Annual caps</b>	<b>Financial year ending 31 December 2025</b>	<b>Financial year ending 31 December 2026</b>	<b>Financial year ending 31 December 2027</b>
<b>2024 Energy Resources Power System Agreement</b>	MNT51,205,143,446 (equivalent to approximately US\$15,166,098)	MNT51,205,143,446 (equivalent to approximately US\$15,166,098)	MNT12,801,285,861 (equivalent to approximately US\$3,791,524) for the 3 months from 1 January 2027 to 31 March 2027
<b>2024 Khangad Exploration Power Distribution Facilities Agreement</b>	MNT3,023,007,999 (equivalent to approximately US\$895,364)	MNT3,023,007,999 (equivalent to approximately US\$895,364)	MNT755,752,000 (equivalent to approximately US\$223,841) for the 3 months from 1 January 2027 to 31 March 2027
<b>EM Power Purchase Agreement as amended by the Amendment Agreement</b>	MNT39,855,797,662 (equivalent to approximately US\$11,163,745)	MNT72,857,523,211 (equivalent to approximately US\$20,407,641)	MNT22,032,455,470 (equivalent to approximately US\$6,171,366) for the 3 months from 1 January 2027 to 31 March 2027
<b>Aggregate annual caps of the Power Agreements</b>	<b>US\$27,225,207</b>	<b>US\$36,469,103</b>	<b>US\$10,186,731</b>

As the highest percentage ratio for the revised annual caps for the continuing connected transactions contemplated under the Power Agreements (on an aggregated basis) is expected to exceed 0.1% but less than 5%, the transactions contemplated under the Power Agreements are subject to the reporting and announcement requirements, but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Each of Mr. Odjargal Jambaljamts, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo, all being Directors and also directors of MCS Mining Group, has material interests in the transactions contemplated under the EM Power Purchase Agreement as amended by the Amendment Agreement, consequently, they have abstained from voting on the relevant resolutions of the Board in relation to the approval of the revised annual caps under the EM Power Purchase Agreement as amended by the Amendment Agreement.



The Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the EM Power Purchase Agreement as amended by the Amendment Agreement is conducted on normal commercial terms or better and in the ordinary and usual course of business of the Group and on terms that are fair and reasonable. The continuing connected transactions contemplated under the EM Power Purchase Agreement as amended by the Amendment Agreement is in the interests of the Company and its Shareholders as a whole. In addition, the Directors (including the independent non-executive Directors) are of the view that the revised annual caps under the EM Power Purchase Agreement (as amended by the Amendment Agreement) as well as the revised annual caps (on an aggregated basis) for the continuing connected transactions contemplated under the Power Agreements are fair and reasonable.

## **(II) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

### **BACKGROUND**

Reference is made to the announcements of the Company dated 11 January 2023 and 25 January 2024 in relation to, *inter alia*, the subscription of securities in the Investee for a total consideration of US\$40 million and the Closing under the Investment Agreement.

Following the Closing and as at the date of this announcement, the Company (through its direct wholly-owned subsidiary) holds 50% equity interest in the Investee and the Investee is a subsidiary of the Company.

Based on the financial results of the Company for the year ended 31 December 2023, the Investee Group had been an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules, therefore ERD had not been regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

Based on the financial results of the Company for the year ended 31 December 2024, the applicable percentage ratios of the Investee Group as defined under Rule 14A.09 of the Listing Rules exceeded 5%, and therefore the Investee Group was no longer an insignificant subsidiary of the Company. Accordingly, ERD has become a connected person at the subsidiary level and the NSR Agreement shall constitute a continuing connected transaction of the Group under Chapter 14A of the Listing Rules. The NSR Entitlement is a security under a shareholder loan granted by the Company to EM.

### **THE NSR AGREEMENT**

The key terms of the NSR Agreement are disclosed in the announcement of the Company dated 11 January 2023 and are summarised below:

<b>Date</b>	10 January 2023 (Halifax, Canada time)
<b>Parties</b>	1) ERD, as a payee
	2) the Investee and Leader Exploration, each as a payor and together the payors

<b>Term</b>	From the Closing (that is, 25 January 2024) to the expiry of the mining licences
<b>Subject matter</b>	The payors agreed to pay to ERD the NSR Entitlement which amounts to 5.0% of the Net Smelter Returns for a sale or transfer of products exceeding the first 400,000 ounces of gold.
<b>Net Smelter Return Entitlement</b>	If there is a sale by a payor or an affiliate other than to a smelter, a refinery or the central bank of Mongolia, the Net Smelter Returns shall be deemed to be the greater of (i) the fair market value of recoverable metals or other materials contained in such products and (ii) the actual proceeds received by the relevant payor or an affiliate from the buyer of such products, in each case without deductions except for allowable deductions under the NSR Agreement or penalties or offsets in respect of ore dependent factors, if any.
<b>Means of payment</b>	<p>The obligation to pay the NSR Entitlement will accrue when there has been a sale, provided that any NSR Entitlement due in respect of a loss will accrue when the insurance proceeds are paid.</p> <p>The payments of the NSR Entitlement will be due and payable quarterly on the last day of the month following the end of the calendar quarter in which the same accrued.</p> <p>The payors shall pay interest on any delinquent NSR Entitlement payment at a rate per annum equal to the secured overnight financing rate established by the Federal Reserve Bank of New York as at the date such delinquent payment became due and payable plus 8%.</p>

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

As disclosed in the announcement of the Company dated 11 January 2023, the Investee Group holds certain mineral assets and has high potential for further discoveries in the areas covered by the minerals' exploitation and exploration rights under its possession. As such, the Board believes that the investment in the Investee can enable the Group to diversify its revenue sources by reducing full dependency on coal as a matter of strategic long-term development objectives and allowing the Group to further expand its business operations.

As part of the arrangement to jointly develop the mineral assets of the Investee Group and to fulfil the royalty arrangement, the NSR Agreement was entered into on the same date as the date of the Investment Agreement.

None of the Directors had a material interest in the NSR Agreement and therefore no Director abstained from voting on the relevant resolution approving the NSR Agreement.

The Directors (including independent non-executive Directors) of the Company are of the view that the terms of the NSR Agreement are fair and reasonable, are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements under Chapter 14A of the Listing Rules, including publication of an announcement and annual reporting in respect of the continuing connected transactions under the NSR Agreement. The Company will further comply with all applicable reporting, disclosure and, if applicable, independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the NSR Agreement.

## **INFORMATION OF THE PARTIES**

### **The Investee Group**

The Investee is principally engaged in the exploration of gold and other precious metals in Mongolia.

Following the Closing as announced by the Company on 25 January 2024, the Investee became a subsidiary of the Company, and is owned as to 50% by the Group and 50% by ERD.

Leader Exploration is a wholly owned subsidiary of the Investee and is principally engaged in the minerals exploration of gold and other precious metals in Mongolia.

### **ERD**

ERD was established under the federal laws of Canada and its common shares are publicly traded on the Toronto Stock Exchange and Mongolian Stock Exchange (Toronto Stock Exchange Symbol: ERD and Mongolian Stock Exchange Symbol: ERDN). ERD principally engages in the exploration and development of mineral deposits primarily in Mongolia.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, based on public information in relation to ERD, its largest shareholder was 2176423 Ontario Ltd.

## **INTERNAL CONTROL MEASURES**

The Company has comprehensive internal control system to ensure that the terms of the continuing connected transactions are fair and reasonable, and the continuing connected transactions are conducted on normal commercial terms or better and in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Relevant internal control measures include strict measures for evaluation and selection of suppliers and the tendering process; regular monitoring of actual amounts incurred for the continuing connected transactions to ensure the relevant annual caps are not exceeded; regular internal control tests to evaluate completeness and effectiveness of internal control measures; and regular review by the internal audit department, the audit committee of the Board, the Board, and the independent non-executive Directors.

## DEFINITIONS

“Amendment Agreement”	the amendment agreement to the EM Power Purchase Agreement entered into between MCS International and EM on 25 April 2025 and will expire on 31 March 2027;
“Announcement”	the announcement of the Company dated 26 January 2024 published pursuant to Rule 14A.60(1) of the Listing Rules in relation to, among others, the continuing connected transaction of the Group constituted under the EM Power Purchase Agreement;
“BKH mine”	Bayan Khundii mine;
“Board”	the board of Directors;
“Closing”	the closing of the Investment Agreement dated 10 January 2023, after which, the Investee has become a subsidiary of the Company;
“Company”	Mongolian Mining Corporation (Stock code: 975), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“connected person”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“EM Power Purchase Agreement”	the power purchase agreement dated 27 October 2023 entered into between EM and MCS International for a fixed term commencing from 27 October 2023 to 31 August 2031, and the total payment during the term of such agreement is expected to be approximately US\$48,407,981 (with the maximum annual payment is expected to be approximately US\$10,124,400), as disclosed in the Announcement;
“EM” or the “Investee”	Erdene Mongol LLC, which is a non-wholly owned subsidiary of the Company as at the date of this announcement;
“Energy Resources”	Energy Resources LLC, a company incorporated in Mongolia with limited liability, is an indirect wholly-owned subsidiary of the Company;
“ERD”	Erdene Resource Development Corporation, a company incorporated under the federal laws of Canada, whose common shares are traded on the Toronto Stock Exchange and Mongolian Stock Exchange (Toronto Stock Exchange Symbol: ERD and Mongolian Stock Exchange Symbol: ERDN);

“Gross Proceeds”	the proceeds received (or deemed to be received pursuant to the NSR Agreement) by a payor or its affiliates, from a sale or transfer of title of products, and in the case of a loss, the Gross Proceeds will be equal to the sum of the insurance proceeds in respect of such loss;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Investee Group”	the Investee together with its subsidiary
“Khangad Exploration”	Khangad Exploration LLC, a company incorporated in Mongolia with limited liability, is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement;
“km”	kilometers;
“KVA”	kilovolt-ampere;
“kV”	kilovolts;
“Leader Exploration”	Leader Exploration LLC, a direct wholly-owned subsidiary of the Investee;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“MCS International”	MCS International LLC, a company incorporated in Mongolia with limited liability, is a wholly-owned subsidiary of MCS Holding LLC;
“MCS Mining Group”	MCS Mining Group LLC, a company incorporated in Mongolia with limited liability, is a substantial Shareholder;
“MNT”	togrok or tugrik, the lawful currency of Mongolia;
“MW”	Mega Watt;
“Net Smelter Return(s)”	the Gross Proceeds from a sale less applicable allowable deductions, under the NSR Agreement;
“NSR Agreement”	the net smelter returns agreement dated 10 January 2023 entered into by and among ERD, the Investee and Leader Exploration LLC;

“NSR Entitlement”	5.0% of Net Smelter Returns;
“OHTL”	110kV Overhead Transmission Line, which will connect the Bayan Khundii mine site to the Nariin Sukhait substation, spanning a distance of 242 km;
“Power Agreements”	collectively, (i) the 2024 Energy Resources Power System Agreement; (ii) the 2024 the Khangad Exploration Power Distribution Facilities Agreement; and (iii) the EM Power Purchase Agreement as amended by the Amendment Agreement;
“Share(s)”	ordinary share(s) of US\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UHG”	Ukhaa Khudag;
“US\$”	United States Dollar, the lawful currency of the United States of America;
“VAT”	value added tax;
“2024 Energy Resources Power System Agreement”	the power system operation and maintenance agreement entered into between Energy Resources and MCS International on 28 March 2024 and will expire on 31 March 2027, the details of which are set out in the announcement of the Company dated 28 March 2024;
“2024 Khangad Exploration Power Distribution Facilities Agreement”	the power distribution facilities operation and maintenance agreement entered into between Khangad Exploration and MCS International on 28 March 2024 and will expire on 31 March 2027, the details of which are set out in the announcement of the Company dated 28 March 2024;
“%”	per cent.



For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1.00=MNT3,570.11, has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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

Hong Kong, 25 April 2025

*As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive Directors, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo and Mr. Myagmarjav Ganbyamba, being the non-executive Directors, 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.*