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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

CONTINUING CONNECTED TRANSACTIONS ON OPERATIONS SUPPORT AGREEMENT

On 28 August 2025, Erdene Mongol, an indirect non-wholly owned subsidiary of the Company, entered into the Operations Support Agreement with MCS Property, pursuant to which MCS Property agreed to provide operation and maintenance support services including but not limited to (i) process commissioning; (ii) maintenance; and (iii) optimisation and improvement services to Erdene Mongol for the term commencing from 1 September 2025 to 31 August 2028, for a total consideration of up to MNT28,914,280,487 (equivalent to approximately US\$8,046,273).

LISTING RULES IMPLICATIONS

MCS Property is a wholly-owned subsidiary of MCS Holding, which is in turn wholly-owned and controlled by MCS Mongolia LLC. MCS Mongolia LLC directly holds 100% shareholding interest in MCS Mining Group LLC, a substantial Shareholder holding approximately 31.18% of the issued share capital of the Company as at the date of this announcement. As such, MCS Property is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Operations Support Agreement constitutes a continuing connected transactions of the Company.

As the highest applicable percentage ratio for the annual caps for the continuing connected transactions under the Operations Support Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Operations Support Agreement are subject to the reporting, announcement and annual review requirements, but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE OPERATIONS SUPPORT AGREEMENT

Date: 28 August 2025

Parties: Erdene Mongol as the client
MCS Property as the contractor

Principal terms:

Pursuant to the Operations Support Agreement, MCS Property has agreed to provide operations support services, including but not limited to the following:

- Process commissioning support for the client equipment and processing infrastructure;
- Process operations start-up and ramp-up support;
- Process plant maintenance planning and execution; and
- Process operations optimisation and improvement support.

Consideration:

The maximum aggregate consideration payable by Erdene Mongol to MCS Property under the Operations Support Agreement is MNT28,914,280,487 (equivalent to approximately US\$8,046,273) including VAT, other applicable taxes and all other costs to be incurred by MCS Property in providing the services as set out in the Operations Support Agreement.

The services fee consists of variable and fixed charges, where the fixed charge is determined by taking into account fixed costs to be incurred by MCS Property such as overhead, management, administration, other work related expenses, and a profit margin; whereas the variable portion of the service fee will be driven by the type and quantity of labour resources required by Erdene Mongol for the services, within a fixed range of minimum and maximum amounts. The fees applicable to the services were determined on an arm's length basis between the Group and MCS Property.

Erdene Mongol shall be responsible for the costs of the supplies of spare parts, machineries, materials, lubricants and equipment mechanism and other supplies required for the operation and overhaul of the process plant in relation to the performance of services to be provided by MCS Property under the Operations Support Agreement.

Payment terms:

Invoices will be issued on a monthly basis in respect of transaction amounts incurred for that month, and Erdene Mongol is required to settle the payment within 20 business days upon receipt of valid invoice from MCS Property.

Annual caps:

The following table sets out the proposed annual caps to be incurred under the Operations Support Agreement for the periods thereof from 1 September 2025 to 31 August 2028:

Financial year ending	Annual caps	Period covered
31 December 2025	MNT3,318,985,662 (equivalent to approximately US\$923,608)	4 months from 1 September 2025 to 31 December 2025
31 December 2026	MNT10,835,261,556 (equivalent to approximately US\$3,015,239)	12 months from 1 January 2026 to 31 December 2026
31 December 2027	MNT8,851,659,089 (equivalent to approximately US\$2,463,242)	12 months from 1 January 2027 to 31 December 2027
31 December 2028	MNT5,908,374,180 (equivalent to approximately US\$1,644,184)	8 months from 1 January 2028 to 31 August 2028

The annual caps were determined after taking into account (i) the negotiated services fees; (ii) anticipated labour requirements for the services; (iii) VAT and other taxes; (iv) inflation rate and cost of materials; and (v) contingencies that would be applicable and payable for the services provided by MCS Property under the Operations Support Agreement. The annual caps were determined based on expected level of operations support services during each financial year.

There are no historical transaction amounts under the Operations Support Agreement or similar arrangement.

Term of the Operations Support Agreement with MCS Property:

The Operations Support Agreement with MCS Property will be effective from 1 September 2025 to 31 August 2028.

Reasons for the transaction:

Due to the strong price environment for precious metals and limited skilled human resources available for the operation, maintenance, and improvement of the Group's mineral processing facilities in Mongolia, Erdene Mongol entered into the Operations Support Agreement in order to reduce the risks and enhance the reliability of its mineral processing operations. The labour market for processing operations is highly competitive, and the Operations Support Agreement provides Erdene Mongol with the necessary supplemental resources at a high level of professionalism and flexibility. MCS Property possesses the requisite official permissions, capability, and experience to provide the services.

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 Ukhaa Khudag 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.

Erdene Mongol is a limited liability company organised and existing under the laws of Mongolia. It is an indirect non-wholly owned subsidiary of the Company, and principally engaged in the exploration of gold and other precious metals in Mongolia.

INFORMATION ON THE CONTRACTOR

MCS Property is engaged in property development, as well as full-scale construction project management for construction engineering, construction design and consulting services.

LISTING RULES IMPLICATIONS

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As the highest applicable percentage ratio for the annual caps for the continuing connected transactions contemplated under the Operations Support Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Operations Support Agreement are subject to the reporting, announcement and annual review requirements, but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Each of Mr. Odjargal Jambaljamts, Mr. Od Jambaljamts and Ms. Enkhtuvshin Gombo, being a Director and a director of MCS Holding has material interest in the transactions contemplated under the Operations Support Agreement and has abstained from voting on the relevant resolutions of the Board in relation to the approval of the Operations Support Agreement and the respective annual caps.

The Directors (including independent non-executive Directors) of the Company are of the view that the terms of the Operations Support Agreement are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, and that the annual caps for the continuing connected transactions contemplated under the Operations Support Agreement are fair and reasonable.

INTERNAL CONTROL MEASURES

The Company has comprehensive internal control system to ensure that the terms of the continuing connected transactions are fair and reasonable, 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 the Shareholders as a whole. Relevant internal control measures include strict measures for evaluation on and selection of the service providers; regular monitoring of actual amounts incurred for the continuing connected transactions; 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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“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)”	the director(s) of the Company;
“Erdene Mongol”	Erdene Mongol LLC, a company incorporated in Mongolia with limited liability, an indirect non-wholly owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited;
“MCS Holding”	MCS Holding LLC, a company incorporated in Mongolia with limited liability;
“MCS Property”	MCS Property LLC, a company incorporated in Mongolia with limited liability, a wholly-owned subsidiary of MCS Holding;

“MNT”	togrog or tugrik, the lawful currency of Mongolia;
“Operations Support Agreement”	the Operations Support Agreement entered into between Erdene Mongol and MCS Property dated 28 August 2025 in relation to the provision of operation and maintenance support services by MCS Property to Erdene Mongol;
“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;
“US\$”	United States dollars, the lawful currency of the United States of America;
“VAT”	value added tax;
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, the exchange rate of USD1.00 = MNT3,593.50, has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or at any other rates.

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

Hong Kong, 28 August 2025

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