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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

ANNOUNCEMENT OF PRICING OF US\$4,287,000 12.50% SENIOR NOTES DUE 2026 TO BE ISSUED IN CONNECTION WITH THE NEW MONEY ISSUANCE AND THE PRICING TERMS OF THE NEW NOTES

This announcement is made by Mongolian Mining Corporation (the “**Company**”) pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 28 August 2023, 30 August 2023 and 6 September 2023, respectively, regarding the Exchange Offer and potential New Money Issuance (together, the “**Announcements**”). Unless otherwise defined, capitalised terms in this announcement will have the same meaning as those defined in the Announcements as the context requires.

With respect to the New Money Issuance, the Issuers and the Subsidiary Guarantors have entered into a purchase agreement dated 6 September 2023 with Deutsche Bank AG, Hong Kong Branch and Morgan Stanley & Co. International plc as Joint Bookrunners and Joint Lead Managers in connection with the issuance by the Issuers of an aggregate principal amount of US\$4,287,000 of 12.50% Senior Notes due 2026.

The Company intends to use the net proceeds from the New Money Issuance for refinancing purposes.

As announced earlier, with respect to the Exchange Offer, as at the Offer Expiration Date, an aggregate principal amount of US\$251,029,000 of the Reg S Notes, representing approximately 75% of the aggregate principal amount of the outstanding 2024 Notes, has been validly tendered for exchange and accepted in the Exchange Offer. The Issuers expect to issue US\$175,713,000 principal amount of the New Notes (as defined below) pursuant to the Exchange Offer.

Subject to the satisfaction of the New Notes Issuance Conditions, the Issuers expect to settle the New Money Issuance on the same date as the Exchange Settlement Date. Upon settlement of the Exchange Offer and the New Money Issuance, the Issuers will issue US\$180,000,000 in aggregate principal amount of 12.50% Senior Notes due 2026 (the “**New Notes**”). The New Notes issued in connection with the Exchange Offer and in the New Money Issuance will have the same terms and will form a single series.

The New Notes are intended to be listed on the SGX-ST. Approval in-principle has been received from the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained here. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, Energy Resources LLC (“**ER**”), the Subsidiary Guarantors, any of their respective subsidiaries and/or associated companies, the New Notes or the Subsidiary Guarantees (as defined below). No listing of the New Notes is being sought in Hong Kong.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION

Reference is made to the announcements of the Company dated 28 August 2023, 30 August 2023 and 6 September 2023, respectively, regarding the Exchange Offer and potential New Money Issuance (together, the “**Announcements**”). Unless otherwise defined, capitalised terms in this announcement will have the same meaning as those defined in the Announcements as the context requires.

PRICING OF NEW MONEY ISSUANCE

The Purchase Agreement

With respect to the New Money Issuance, the Issuers and the Subsidiary Guarantors have entered into a purchase agreement dated 6 September, 2023, with Deutsche Bank AG, Hong Kong Branch and Morgan Stanley & Co. International plc as Joint Bookrunners and Joint Lead Managers in connection with the issuance by the Issuers of an aggregate principal amount of US\$4,287,000 of 12.50% Senior Notes due 2026.

To the Issuers' best knowledge, information and belief, having made all reasonable enquiries, the Joint Lead Managers and Joint Bookrunners are independent third parties and are not connected person(s) of the Company.

The New Notes and the related guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and will only be offered in offshore transactions to Eligible Holders outside the United States in compliance with Regulation S. None of the New Notes will be offered to the public in Hong Kong.

PRINCIPAL TERMS OF THE NEW NOTES TO BE ISSUED IN THE EXCHANGE OFFER AND THE NEW MONEY ISSUANCE

New Notes Offered

Subject to certain conditions to completion of the Exchange Offer and the New Money Issuance, the Issuers will issue the New Notes in an aggregate principal amount of US\$180,000,000 (US\$175,713,000 in the Exchange Offer and US\$4,287,000 in the New Money Issuance) pursuant to an indenture among the Issuers, the Subsidiary Guarantors and The Bank of New York Mellon, London Branch as trustee (the "**Indenture**"). The New Notes will mature on 13 September 2026, unless earlier redeemed pursuant to the Indenture. A summary of the New Notes offering is provided below.

Offer Price

The offer price of the New Notes is 97.0% of the principal amount of the New Notes.

Interest

The New Notes will bear interest at a rate of 12.50% per annum, payable semiannually in arrears on 13 March and 13 September of each year, commencing 13 March 2024.

Payment

All payments due under the New Notes shall be payable and settled in United States dollars only.

Ranking of the New Notes

The New Notes will be: (1) general obligations of the Issuers; (2) effectively subordinated to secured obligations of the Issuers, to the extent of the value of the assets serving as security therefor; (3) senior in right of payment to any existing and future obligations of the Issuers expressly subordinated in right of payment to the New Notes; (4) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Issuers (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); (5) guaranteed by the Subsidiary Guarantors on an unsubordinated basis, subject to certain limitations; and (6) effectively subordinated to all existing and future obligations of any subsidiaries of the Company other than ER and the Subsidiary Guarantors.

Ranking of the Subsidiary Guarantees

The related subsidiary guarantee of each Subsidiary Guarantor (each, a “**Subsidiary Guarantee**” and collectively, the “**Subsidiary Guarantees**”) will: (1) be a general obligation of such Subsidiary Guarantor; (2) be effectively subordinated to secured obligations of such Subsidiary Guarantor (if any, to the extent of the value of the assets serving as security therefor; (3) be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; (4) rank at least *pari passu* with all other unsecured, unsubordinated indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law); and (5) be effectively subordinated to all existing and future obligations of any subsidiaries of the Company other than ER and the Subsidiary Guarantors.

Events of Default

The events of default under the New Notes will include, among other things, default in the payment of principal, premium or interest and default in the performance or the breach of certain covenants under the New Notes, the Indenture or the Subsidiary Guarantees.

Covenants

The New Notes, the Indenture and the related subsidiary guarantees will limit the Company’s ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur additional indebtedness;
- (b) make investments or other specified restricted payments;
- (c) pay dividends or make other distributions;
- (d) enter into agreements that restrict certain of the restricted subsidiaries’ ability to pay dividends;
- (e) issue or sell capital stock of certain restricted subsidiaries;
- (f) guarantee indebtedness;
- (g) enter into certain transactions with affiliates;

- (h) create liens;
- (i) enter into certain sale and leaseback transactions;
- (j) sell assets;
- (k) effect a consolidation or merger; and
- (l) engage in different business activities.

Optional Redemption for New Notes

At any time and from time to time on or after 13 September 2025, the Issuers may at their option redeem the New Notes, in whole or in part, at the redemption price equal to 106.25% of the principal amount of the New Notes, plus accrued and unpaid interest, if any, on the New Notes redeemed, to (but not including) the applicable redemption date.

At any time and from time to time prior to 13 September 2025, the Issuers may at their option redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes plus the Applicable Premium (as defined in the Indenture) as of, plus accrued and unpaid interest on the New Notes redeemed, if any, to (but not including) the redemption date.

At any time and from time to time prior to 13 September 2025, the Issuers may at their option redeem up to 35% of the aggregate principal amount of the New Notes with the net cash proceeds of one or more sales of common stock of the Company in an Equity Offering (as defined in the Indenture) at a redemption price of 112.50% of the principal amount of the New Notes, plus accrued and unpaid interest on the New Notes redeemed, if any, to (but not including) the redemption date, *provided* that at least 65% of the aggregate principal amount of the New Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering (as defined in the Indenture).

Proposed Use of Proceeds

The Company will not receive any cash proceeds from the Exchange Offer. The Company intends to use the net proceeds from the New Money Issuance for refinancing purposes.

Governing Law

Each of the New Notes, the Subsidiary Guarantees and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York.

Listing

The New Notes are intended to be listed on the SGX-ST. Approval in-principle has been received from the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained here. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, ER, the Subsidiary Guarantors, any of their respective subsidiaries and/or associated companies, the New Notes or the Subsidiary Guarantees. No listing of the New Notes is being sought in Hong Kong.

GENERAL

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or elsewhere. No securities of the Company, ER or any of its subsidiaries are being, or will be, registered under the Securities Act or the securities laws of any state of the United States, and no such securities may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the United States or any other jurisdiction. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this announcement, including, among others, those statements relating to the Exchange Offer and the New Money Issuance are based on the Company's and ER's current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Reg S Notes and/or the New Notes; changes in the business and financial condition of the Group; changes in the debt markets in general.

Any questions or requests for assistance or additional copies of the announcements and Exchange Offer Memorandum may be directed to the Information and Exchange Agent at its telephone number or address set below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Exchange Offer.

The Information and Exchange Agent for the Exchange Offer is:

Morrow Sodali Limited

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

Hong Kong, 7 September 2023

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.