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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE CONTINUING CONNECTED TRANSACTIONS ON OPERATIONS SUPPORT AGREEMENT

Reference is made to the Company's announcement dated 28 August 2025 (the "**Announcement**") in relation to the entering into the Operations Support Agreement between Erdene Mongol and MCS Property for the provision of operation and maintenance support services including but not limited to (i) process commissioning; (ii) maintenance; and (iii) optimisation and improvement services (the "**Services**") to Erdene Mongol. Unless the context requires otherwise, capitalised terms used in this supplemental announcement shall have the same meaning as defined under the Announcement.

In addition to the information provided in the Announcement, the Company would like to provide supplemental information regarding (i) the pricing policies in relation to the Operations Support Agreement; and (ii) the internal control procedures for ensuring compliance with the pricing policies under the Operations Support Agreement, together with the relevant monitoring measures, detailed workflow and allocation of responsibilities.

PRICING POLICIES

As disclosed in the Announcement, the service fees comprise fixed and variable charges. The fixed charge is based on daily rates applied to recorded timesheets, determined with reference to staff classification (on-site or standby, direct or indirect) and covering staff compensation, liability insurance, hand tool consumables, travel costs, and other applicable allowances, excluding accommodation and catering costs. The variable charge depends on the type and quantity of labour resources required, within a prescribed range, taking into account the minimum salary requirements under the Labour Law of Mongolia and prevailing local staff salaries for comparable roles in the industry, and are inclusive of VAT and other applicable taxes.

Erdene Mongol periodically solicited and evaluated quotations for commissioning and operations support services throughout the second half of the construction phase (approximately one year) of the Bayan Khundii (the "**BKH**") mine. At least six potential candidates were invited, of which five submitted quotations. In addition to MCS Property, Erdene Mongol has assessed the capabilities of three independent third parties but they were found to be insufficient to meet Erdene Mongol's requirements for the proposed services. Consequently, Erdene Mongol entered into direct negotiations with MCS Property, during which it has internally evaluated MCS Property's pricing against comparable quotations from other independent third parties and concluded that the terms offered by MCS Property were no less favourable than those of the other candidates.

Given the limited availability of skilled human resources and the absence of suitable local service providers for the Group's mineral processing facilities in Bayankhongor aimag, Mongolia, the Group entered into the Operations Support Agreement with MCS Property for the provision of process commissioning, start-up, ramp-up, maintenance, optimisation and other ancillary services for the period from 1 September 2025 to 31 August 2028. As MCS Property constructed the Group's BKH processing facilities, it possesses the requisite expertise to provide the Services efficiently, reliably and flexibly. The fees under the Operations Support Agreement were determined on an arm's length basis, are on normal commercial terms, and are considered fair and reasonable having regard to the scope and nature of the Services.

INTERNAL CONTROL MEASURES

The Company has established internal control procedures to ensure that the continuing connected transactions are fair and reasonable, on normal commercial terms or better, 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. 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.

In respect of continuing connected transactions, the Group determines pricing based on the size and scope of each transaction, in accordance with the internal control measures, using methods including, but not limited to, requests for quotation, requests for proposal or tenders, subject to oversight by the Company's executive and procurement committees, and the internal audit department. Depending on the transaction method, the Group will obtain no less than three quotations from independent third parties and ensure review and monitoring by the Company's legal and financial compliance teams. These measures aim to ensure that the terms are fair and reasonable, conducted on normal commercial terms that are no less favourable than those offered by independent third parties, and compliant with the Listing Rules.

Under the Operations Support Agreement, MCS Property will submit monthly invoices based on approved timesheets for review and verification by the representative of Erdene Mongol. It will be specified in each invoice, among other things, the Services performed, duration, applicable fees and taxes, and will be supported by service reports and acceptance documents. Erdene Mongol is entitled to deduct from the contract price any compensation, damages, or expenses incurred under the agreement. The operational teams of Erdene Mongol will review the Services monthly, confirm proper performance, identify any defects or follow-up measures, and agree with MCS Property on the service schedule. The finance department of Erdene Mongol will consolidate service fees monthly, monitor utilisation against the annual caps, and flag any projected exceedance for review and approval by senior management of Erdene Mongol.

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

Hong Kong, 4 September 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.