MONGOLIAN MINING CORPORATION

INTERIM RESULTS 2022

26 August 2022

DISCLAIMER

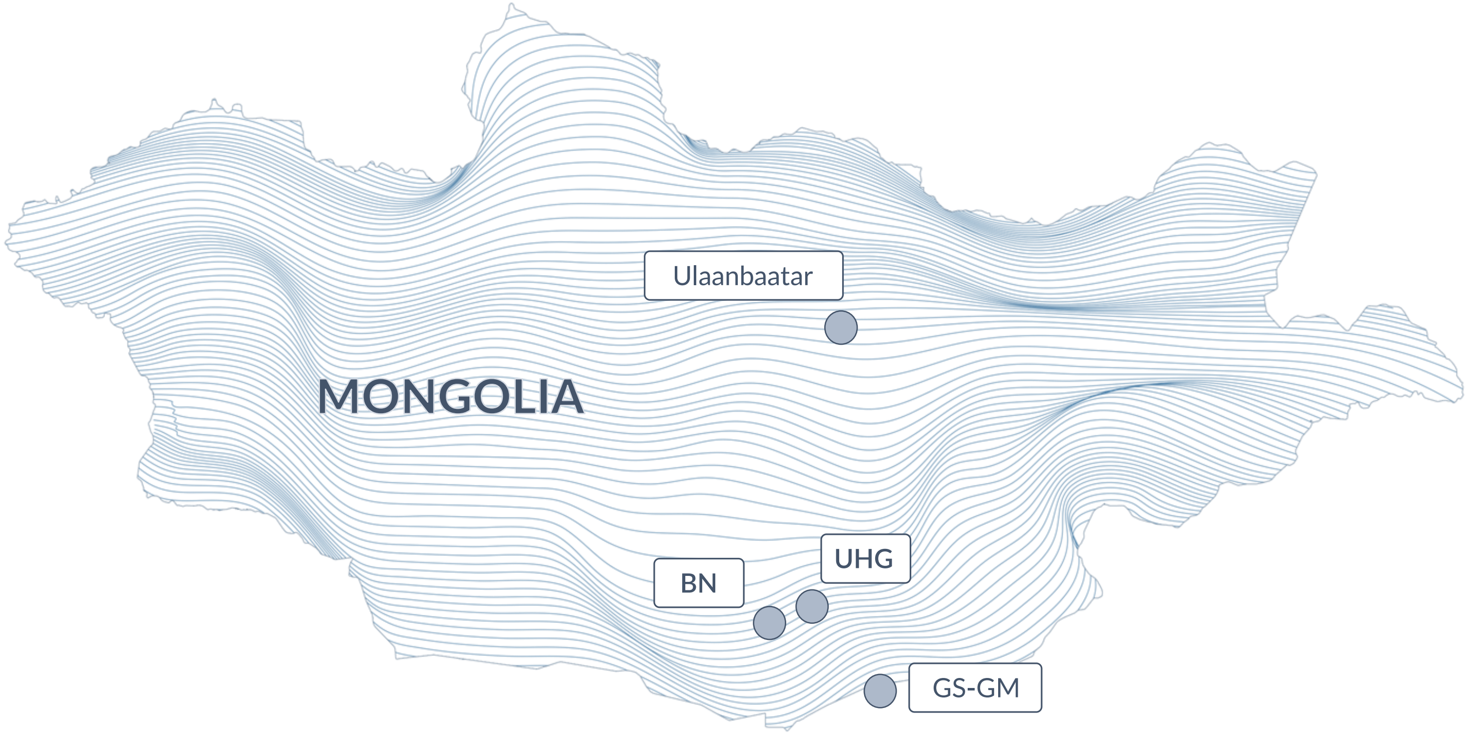
FORWARD-LOOKING STATEMENTS

We have included in this presentation forward-looking statements. All statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements. The reliance on any forward-looking statement involves risks and uncertainties, and although we believe the assumptions on which the forward-looking statements are based are reasonable, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. We undertake no obligation to publicly update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, except as required by applicable laws, rules and regulations. In light of these and other risks and uncertainties, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved.

All numbers in this presentation are approximate rounded values for particular items.

CORPORATE OVERVIEW

Company snapshot



MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

CDP DISCLOSURE INSIGHT ACTION D 2020 CLIMATE

The Group owns and operates two open-pit coking coal mines, namely the Ukhaa Khudag ("**UHG**") deposit located within the Tavan Tolgoi coal formation and the Baruun Naran ("**BN**") deposit, both of which are located in the South Gobi province of Mongolia.

UHG mine is located ~540 km south of Ulaanbaatar, the capital city of Mongolia, and ~240 km from the Mongolia-China border crossing Gashuunsukhait-Ganqimaodu ("**GS-GM**"). BN mine is located ~30 km south-west of UHG mine.

The Group is the sole fully integrated washed coking coal exporter in Mongolia, comprising of mining, processing, transportation, and sales and marketing platforms.

UHG, BN, and Tsaikhar Khudag ("**THG**") mining licenses were granted in 2006, 2008 and 2013, respectively. The licenses permit the Group to engage in coal mining activities for an initial period of 30-years, extendable twice by 20-years each.

S&P Global Ratings B-

FitchRatings B

HKEX 975

CORPORATE OVERVIEW

Sizable coking coal resources and reserves base

COAL RESOURCES AND RESERVES [1]

(Mt)

JORC (2012) Statement	UHG	BN	THG	**Pro-Forma Total**
Total resources [2]	**572**	**415**	**89**	**1,076**
- Above 300m	*371*	*303*	*64*	*738*
- Below 300m	*201*	*112*	*25*	*338*
Total ROM coal reserves [3]	**371**	**280**	**-**	**651**
- Coking	*351*	*269*	-	*620*
- Thermal	*20*	*11*	-	*31*
Total marketable reserves [3]	**230**	**165**	**-**	**395**
- Coking	*162*	*124*	-	*286*
- Middling	*48*	*30*	-	*78*
- Thermal	*20*	*11*	-	*31*

During 2021, the Group's geological team updated the JORC (2012) Coal Resource estimations as at 31 December 2021 for the UHG, BN and THG deposits.

The most recent resource update performed in 2021 focused on improving the details and accuracy of the 3D coal seam model. As a result, the unclassified, inferred, and indicated coal resources were moved to the measured resource category, representing higher confidence level. The Pro-forma total resources at UHG, BN and THG increased to 1,076 Mt compared to 1,035 Mt from the last Coal Resource Estimate as at 31 December 2014.

The updated JORC (2012) Coal Reserve statement and LOM Study as at 1 January 2022 for the UHG and BN deposit was prepared by Glogex Consulting LLC.

Updated Coal Resource estimate served as a base to prepare such updated Coal Reserve estimate. Increase in Resource estimate under Measured and Indicated category is expected to lead to increase in Reserve estimate.

Accounting for coal mined and depleted since 2018 to 2022, the Coal Reserves identified in the 2018 Reserve estimates that are economically viable for mining as at 1 January 2022 for UHG and BN increased by 68 Mt and 108 Mt, respectively.

Notes: 1: Due to rounding, discrepancy may exist between sub-totals and totals. Rounding rules refer to 'Clause 25 of the JORC Code (2012).
2: Includes Measured, Indicated and Inferred Resource category as at 31 December 2021.
3: Includes Proved and Probable Reserve category as at 1 January 2022.

SUSTAINABILITY SCORECARD

Environmental sustainability highlights

CLIMATE CHANGE

To better control and manage our carbon footprint, we have scaled up our emission measurement to include all three scopes of GHG emissions since 2019. Since 2022, the Company is in the process of transitioning to internationally recognized GHG emission standards for better reporting purposes.

GOVERNANCE

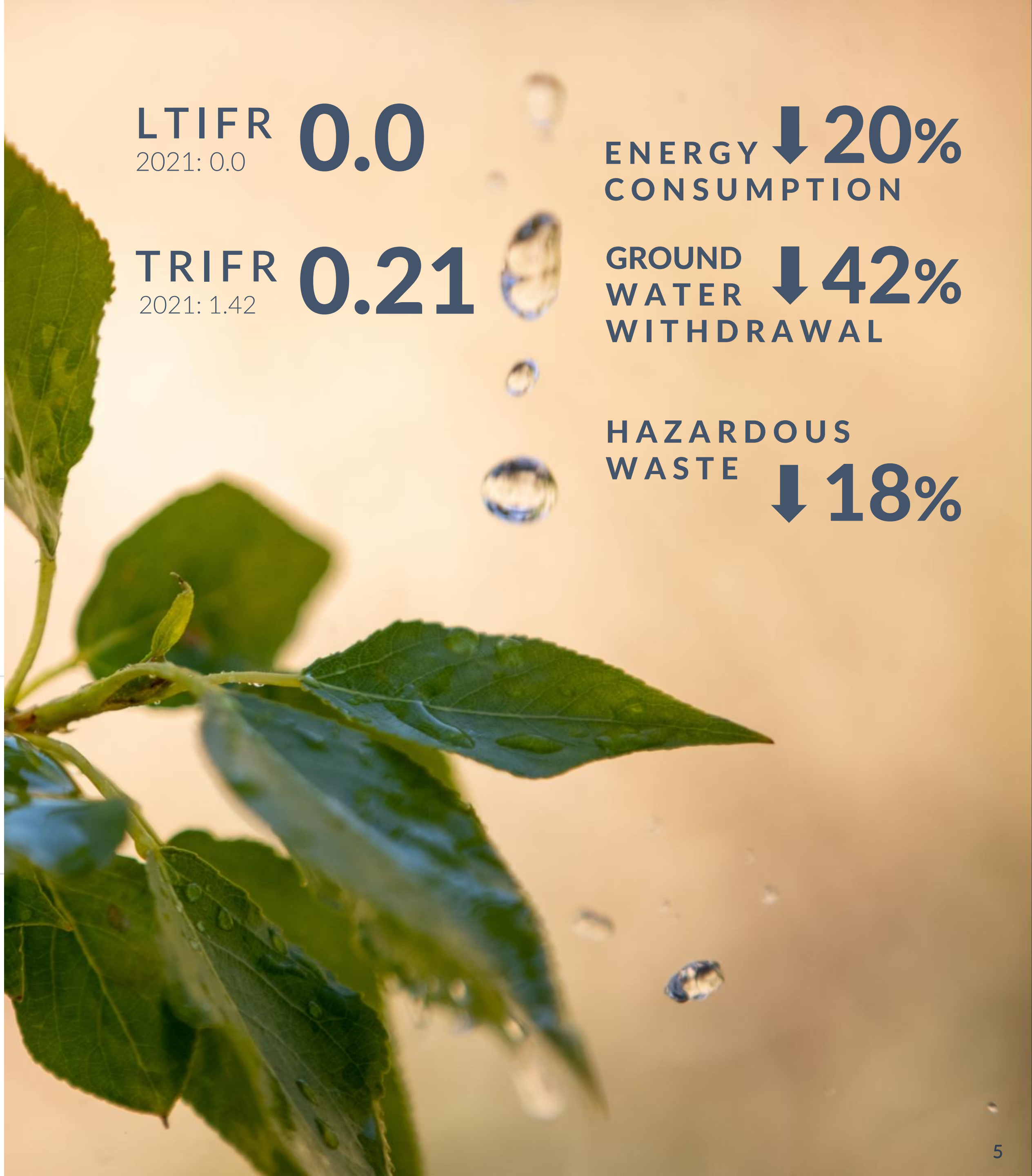
The Board has a dedicated ESG committee to ensure that the Board is meaningfully involved in assessing and addressing ESG related matters and risks. With a long-term strategy to integrate sustainability into our operations including for capital allocation and selection.

HEALTH & WELLBEING

Our IMS Policy ensures that we constantly strengthen our company-wide safety communication and remain committed to the principle of "Vision Zero" to our people and host communities as well as minimal adverse impact on the environment.

STAKEHOLDER ENGAGEMENT

The Company has adopted international and national standards to disclose our climate and sustainability indicators such as CDP, EITI, IFC, Mongolian Mining Association and sustainability dialogue in Mongolia. In addition, we aim to foster robust relationships and build trust with the local community members, local authorities and other stakeholders.

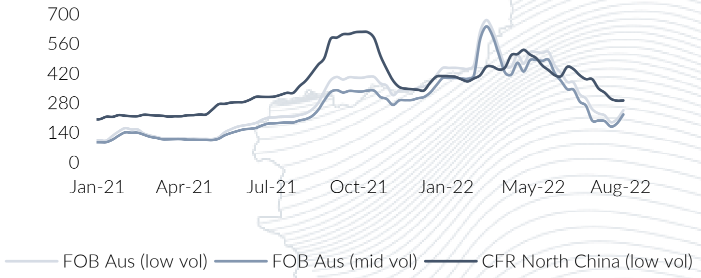


INDUSTRY OVERVIEW

Market environment

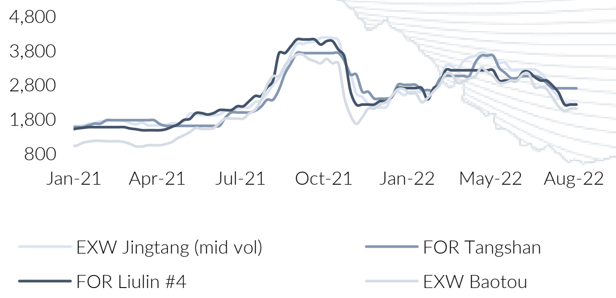
SEABORNE COKING COAL PRICES

(USD)



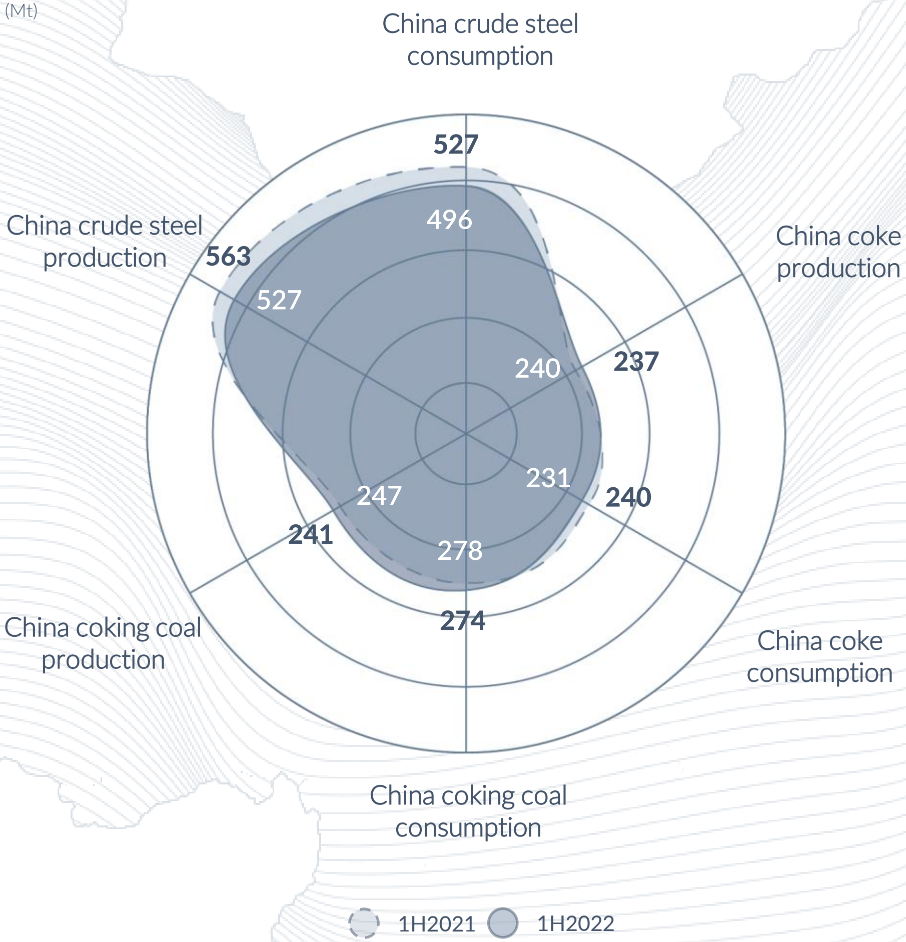
CHINA COKING COAL PRICES

(CNY)



CARBON STEEL INDUSTRY

(Mt)



CHINA COKING COAL IMPORT [1]

(Mt)

1H2022	26.1
Russia	8.4
Mongolia	7.5
Canada	3.9
USA	2.9
Australia	2.0
Others	1.4

1H2021	22.3
Mongolia	8.3
Russia	4.4
Canada	4.0
USA	3.9
Others	1.6
Australia	-

1H2020	38.1
Australia	24.1
Mongolia	7.3
Russia	2.9
Canada	2.6
USA	0.7
Others	0.5

Source: Fenwei Digital Information Technology Co., Ltd., Platts.
Note 1: Imports from Mongolia include raw unprocessed, dry and wet processed coking coal.

BUSINESS OVERVIEW

Transportation infrastructure development

Tavantolgoi-Gashuunsukhait Railway Update:

The railway connecting Tavan Tolgoi to Gashuunsukhait, the border hub with China, is said to have been 80% completed, reported by the local news media. The construction of the railway intersection point between Mongolia and China is expected to start this year.

The GoM exchanged an official note with the PRC on 5 February 2022 and agreed on a railway intersection point at the GS-GM border checkpoint. Accordingly, during the Chinese Foreign Minister's official visit, a memorandum of understanding for a cross-border rail connection between GS-GM was signed.

Tavantolgoi-Zuunbayan Railway Update:

The construction of 416km railway between Tavantolgoi to Zuunbayan station, an interconnecting point to existing Trans-Mongolia railway network was completed in March 2022. With planned capacity of 15 Mtpa, this railway opens an access to additional ports of export for mines in Tavan Tolgoi region and trial shipments had begun from coal and copper mine in Tavantolgoi and Oyu Tolgoi area.

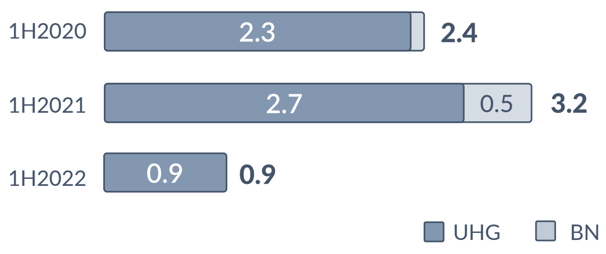
In close cooperation with our customers, we have arranged shipments of (23) trains carrying approx. (73.6kt) our products as test and trial run for export via Erlian port to China (YTD).

BUSINESS OVERVIEW

Operational performance

ROM COAL PRODUCTION

(Mt)



A total of 5.6 million bank cubic metres ("**bcm**") of prime overburden was removed with an actual stripping ratio of 6.2 bcm per ROM tonne from UHG mine.

BN mine remained suspended during the first half of 2022.

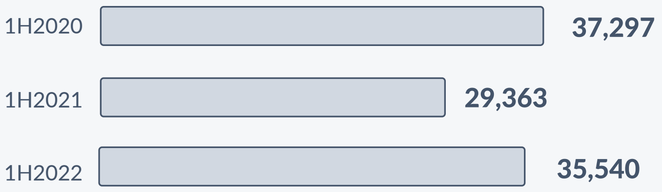
WASHED COAL PRODUCTION

(Mt)

In the first half of 2022, total CHPP ROM coking coal feed was 0.9 Mt with primary product output 0.4 Mt of washed hard coking coal ("**HCC**").

Operations were adjusted and at certain times fully suspended for a period from mid-January to mid-May.

GS-GM THROUGHPUT [1]



During the first half of 2022, coal transportation via GS-GM remained impacted by COVID-19.

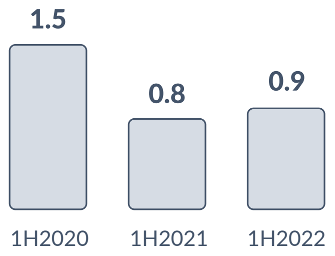
Gradual increase in exports as well as stability in terms of border throughput operations were observed towards the end of the second quarter in 2022.

Note 1: The total number of coal trucks crossing GS-GM border.

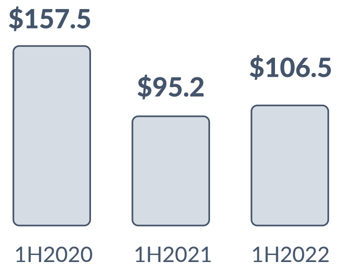
FINANCIAL OVERVIEW

Sales and revenue

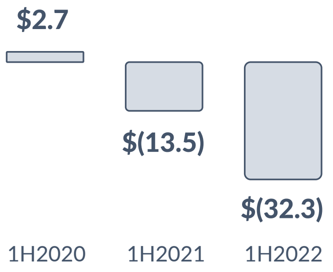
SALES VOLUME
(Mt)



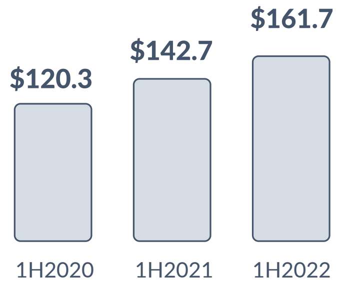
REVENUE
(USD mln)



NET PROFIT/(LOSS)
(USD mln)



ASP of HCC/t under FOT
(USD)



SALES AND PRICING

Despite disruptions in export transportation having restrained the sales and distribution operations, the Group sold a total of 0.9 Mt of self-produced coal in the first half of 2022, a 10.5% year-on-year increase.

Total sales volume in the first half of 2022 includes 0.7 Mt of HCC, 0.1 Mt of SSCC and 0.1 Mt of thermal coal.

The Group sold only HCC under FOT GM term during the first half of 2021 at ASP of USD142.7 per tonne. In order to maintain stable sales operations, the Group initiated sales under EXW UHG, FCA TKH and GS terms in the first half of 2022.

ASP, which represents the price exclusive of applicable VAT in China, for HCC under FOT GM, DAP GM and EXW UHG terms were USD161.7, USD144.3 and USD126.1, respectively, during the first half of 2022.

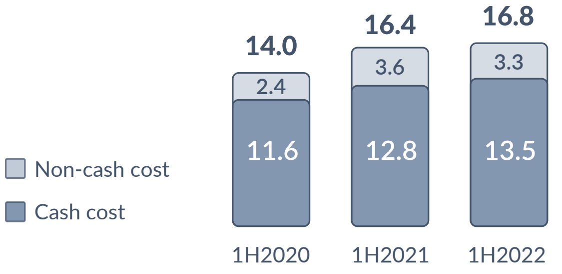
Due to lower sales volume as a result of throughput volatility, the Group recorded a net loss of USD32.3 mln during the first half of 2022.

FINANCIAL OVERVIEW

Operating cost structure [1]

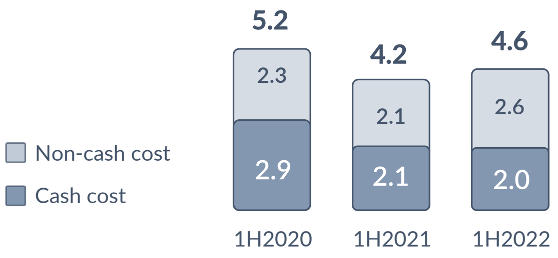
MINING COST [2]

(USD/ROMt)



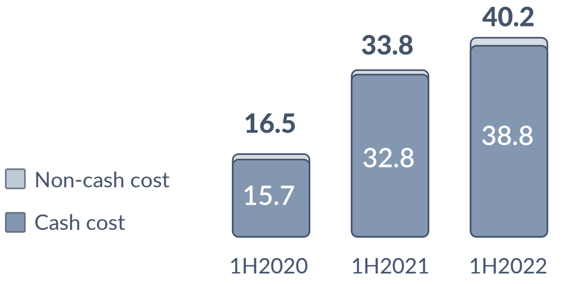
PROCESSING COST

(USD/ROMt)



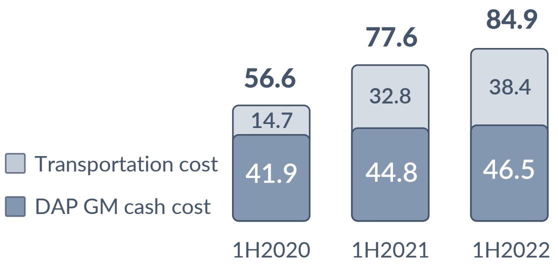
TRANSPORTATION COST [3]

(USD/t)



HCC OPERATING CASH COST AT DAP GM [4]

(USD/t)



COST STRUCTURE

As a result of temporary adjustments to production levels throughout the reporting period, total idling cost of USD24.4 mln was recorded which included USD10.6 mln attributable to depreciation and amortisation expenses.

Depreciation and amortisation expenses were higher during the reporting period, due to higher value of underlying assets as a result of fixed asset revaluation performed at the end of 2021.

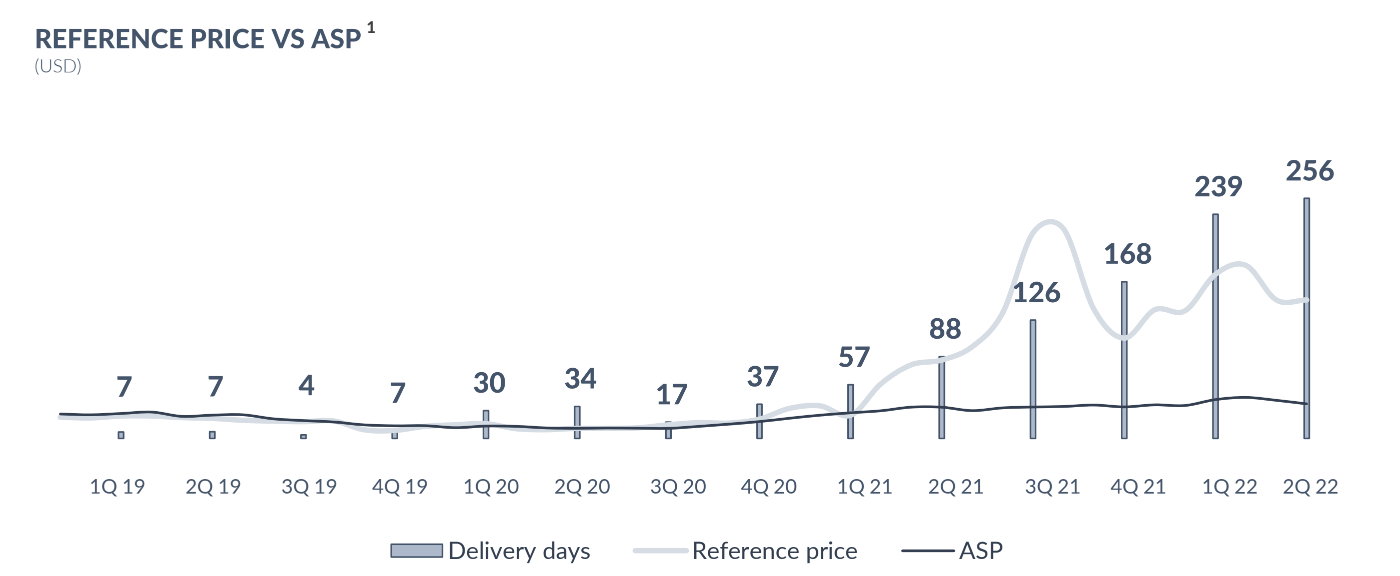
Unit mining and processing costs, excluding idling costs, were slightly higher in the first half of 2022, due to lower production volumes and increase in fuel and other consumables.

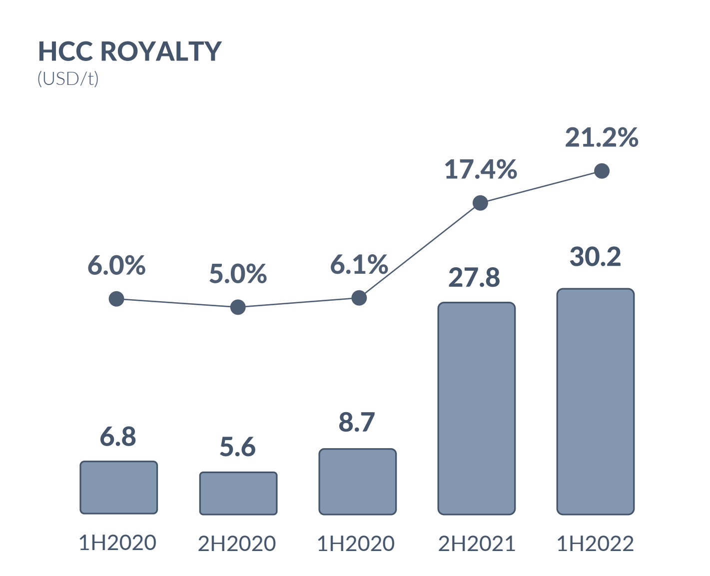
The Group utilised a combination of its own trucking fleet, third party contractors' fleet, as well as the containerised GS terminal. Main increase in transportation cost is attributable to the short-haul section between TKH and GM, due to increase in third party contractor tariffs.

Note 1: The figures presented on this page are exclusive of idling costs.
2: Combined average cost for UHG and BN mines.
3: Combined weighted average cost from UHG to GM, including third party contractors.
4: Includes mining, processing, handling, transportation, logistics, and other costs but excluding royalty fees.

FINANCIAL OVERVIEW

Pricing and revenue recognition





PRICING & REVENUE RECOGNITION

Progressive royalty rate is applied in the range of 5% to 8% for exported processed coal products and the GoM uses reference prices for the calculation of effective royalty rates. Historically, the Group's ASP and reference prices were more closely aligned and effective royalty rates have been stable between 5% to 6%. During the year, as a result of supply disruptions, the gap between the reference price and the contracted sales prices of coal delivered widened.

When prices are stable, there is minimal difference between the contract prices of coal being delivered, ASP of such revenue recognition and the prevailing market prices. However, due to border throughput issues in the second half of 2021, the difference between ASP and the spot prices have widened substantially as a result of prolonged delivery times. This also led to increase in contract liabilities (advances received from customers) and inventory levels (booked at costs).

Average delivery days in 2020 was around 15-40 days, around 50-170 days in 2021, compared to average delivery days of 230-260 days in the first half of 2022.

Note 1: Average selling price of coal delivered under FOT terms.

FINANCIAL OVERVIEW

Balance sheet

(USD mln)	31 Dec 2020	31 Dec 2021	30 June 2022
Equity	$888.2	$896.6	$855.6
Debt/Equity ratio	0.5	0.5	0.5
Total asset	$1,735.5	$1,879.1	$1,856.3
Gearing ratio	25.9%	24.1%	24.3%

(USD mln)	1H2020	1H2021	1H2022
Investing Activities	$35.5	$34.3	$36.1
Cash	$20.8	$37.4	$50.8

CURRENT LIABILITIES

The Group's net current liabilities as at the end of the first half was USD69.7 mln, due to increase in current liabilities. This includes contract liabilities, which would be booked as revenue once the pre-sold coal is delivered, and SN2022 fully repaid on 30 Sep 2022.

Inventory is booked at cost while contract liabilities are booked at selling prices. The contract liability amount reduces as the pre-sold inventory is delivered.

INVESTING ACTIVITIES

Total capitalised pre-stripping costs of USD27.5 mln was incurred in the first half of 2022.

Other investing activities during the year of USD8.6 mln, included equity contribution for the joint venture company, which will own and operate Chiheng enclosed warehouse facility for coal storage and handling customs bonded stockyard located at GM. The joint venture company is jointly owned by the Group and CHN Energy Coal Coking Co., Ltd (formerly known as "Shenhua Inner Mongolia Coal and Coking Co., Ltd"), an independent third party and one of the Group's largest customers.

THANK YOU

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