MONGOLIAN MINING CORPORATION

ANNUAL RESULTS 2021

22 March 2022

Disclaimer

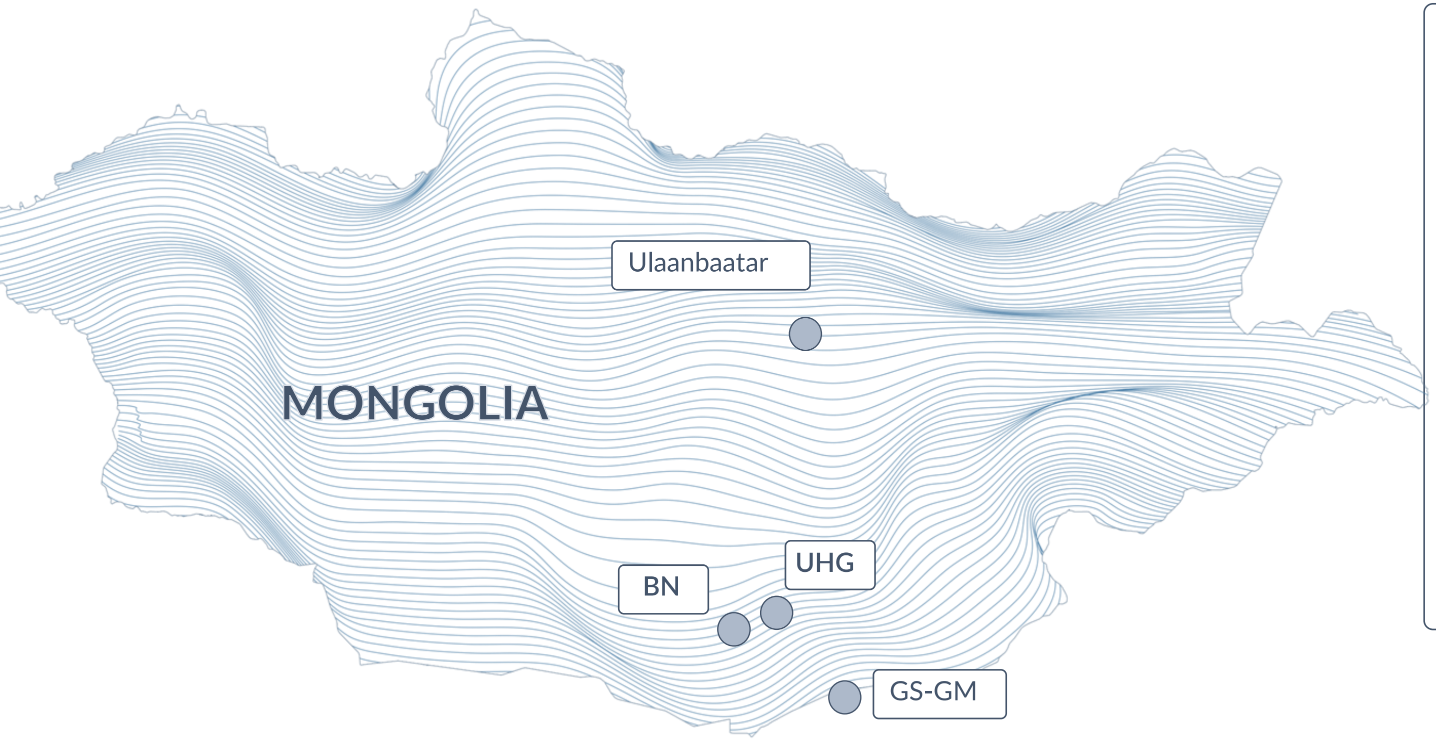
FORWARD-LOOKING STATEMENTS

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



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.

MSCI ESG RATINGS A

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

CDP DISCLOSURE INSIGHT ACTION D 2020 CLIMATE

HKEX 975

FitchRatings B

S&P Global Ratings B-

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.

ESG OVERVIEW

Social and environmental management

Employees

We keep a strong stance on increasing the representation of women in the total workforce even though the mining industry workforce is still relatively male-dominant and lacks skilled female employees.

	2021	2020	2019
Female employees in total workforce	14%	13%	13%
Female employees in management	38%	32%	32%
People with disabilities in total workforce	4%	4%	4%

We remain committed to creating and maintaining a culture of “Vision Zero” in which fatalities and incidents shall be fully preventable.

Safety statistics	2021	2020	2019
Total man-hours worked (mln hours)	5.9	9.2	9.2
Fatalities	0	2	0
Occupational disease	0	0	0
TRIFR	1.01	1.64	2.64
LTIFR	0.00	0.55	0.66

Climate Change and Emissions

In line with our Sustainability Policy, we are adopting an integrated approach to managing our climate-related risks and aiming to determine site-based targets to monitor our performance.

We review our emissions regularly and apply strict air quality control standards across our operations in accordance with the regulatory requirements of Mongolia.

Stationary source monitoring is regularly conducted for chimney fume of the on-site power plant against the national standard MNS 5919:2008 for maximum acceptable level of air pollutants in the exhaust gases.

Total GHG Emissions	2021	2020	2019
GHG /CO_2-e /t/	266,647 t	390,162 t	458,360 t
Scope 1	179,496 t	257,751 t	302,634 t
Scope 2 (location based)	80,613 t	91,758 t	99,286 t
Scope 3	6,538 t	40,653 t	56,440 t
Production	2,449,106 t	4,719,662 t	5,542,141 t
Intensity	0.109 t CO_2-e / t	0.080 t CO_2-e / t	0.083 t CO_2-e / t

Waste Management

Our Waste Management Policy aims to minimise the waste generation and ensure safe handling, treatment and disposal of generated wastes.

In accordance with Waste Management Policy, we engage with a small-scale waste recycling facility. We continue to organise awareness campaigns on waste management for our employees and community members.

Within our Hazardous Waste Management Policy, we implement prevention control measures associated with the transport, storage, use, transfer and disposal of hazardous materials.

Waste types	2021	2020	2019
Total hazardous waste	2,434 m^3	2,964 m^3	2,583 m^3
Production	2,449,106 t	4,719,662 t	5,542,141 t
Intensity	0.0010 m^3/t	0.0006 m^3/t	0.0005 m^3/t
Total non-hazardous waste	7,014 m^3	6,197 m^3	10,668 m^3

ESG OVERVIEW

Policies aligned with UN Sustainable Development Goals

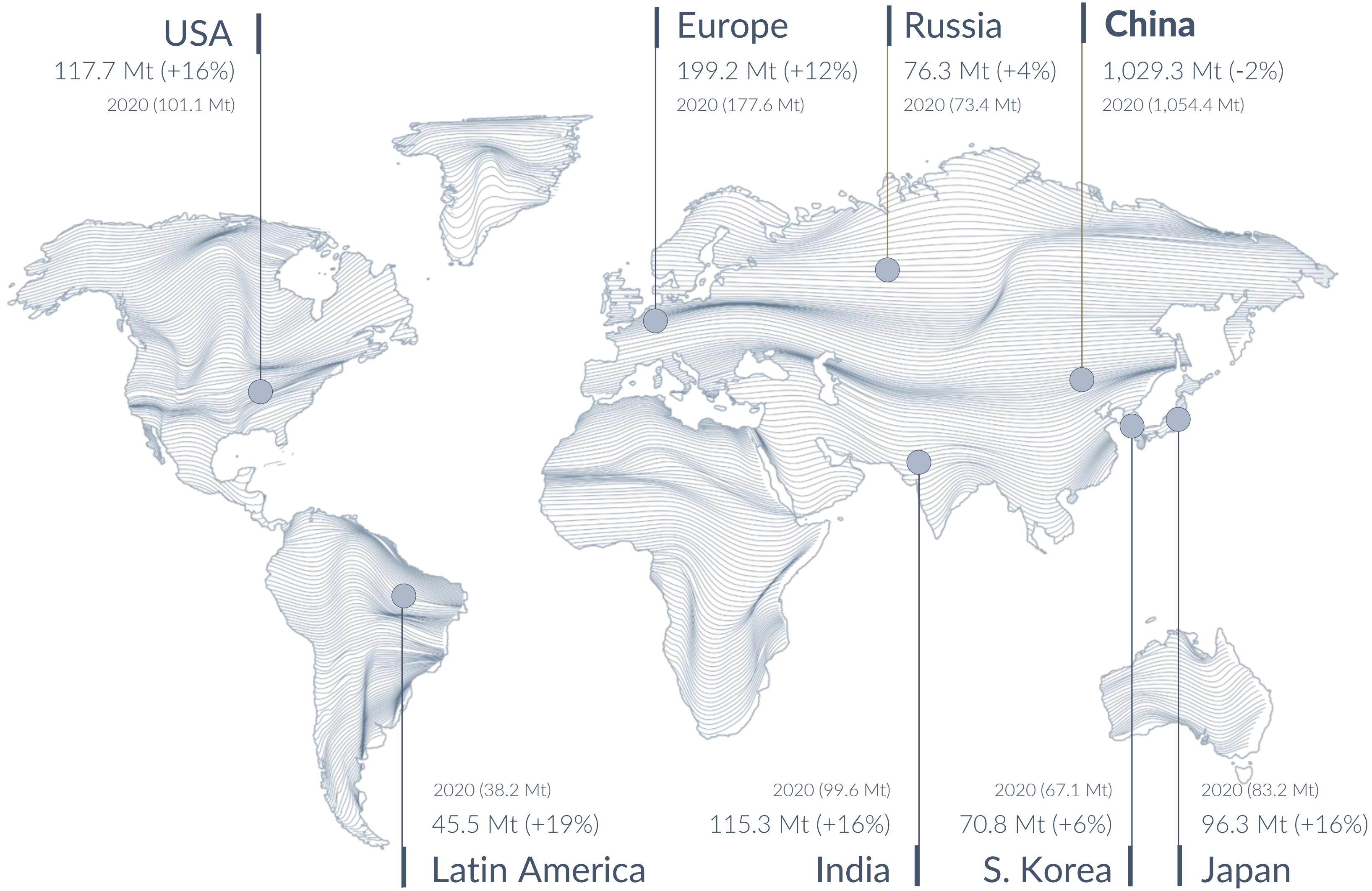
SDG 1: No poverty	Fighting poverty by direct and indirect employment in the region and supporting local community development.
SDG 2: Zero hunger	The Company provides special training programs on vegetable farming in the local community.
SDG 3: Good health & well-being	All employees are fully insured with health insurance and personal accident insurance coverages. We provide essential medical equipment/devices to local hospitals.
SDG 4: Quality education	School and kindergarten complex was built in Tsogttsetsii soum in 2013 and later transferred to state administration. Currently, over 2,000 children attend the educational facilities, and we continue to provide technical support.
SDG 5: Gender equality	The Company continues to keep a strong focus on increasing female representation through upgraded systems and training programs. As of 2021, female employees made up around 14% of our total workforce.
SDG 6: Clean water & sanitation	Both groundwater and recycled water are used at the mine sites. Water saving technologies include Dry-cooling system at UHG Power Plant and Belt Filter Press Facility at the CHPP.

SDG 7: Affordable & clean energy	In 2020, four new initiatives were implemented as part of the power plant's internal energy reduction plan and 325,653 kW of energy was saved. The UHG water supply system saved 132,705 kW of energy.
SDG 8: Decent work & economic growth	We create substantial economic value for our communities and the country, through employment, taxes and royalties, as well as purchase of local goods and services, infrastructure development and voluntary social projects.
SDG 9: Industry, innovation & infrastructure	The Company developed necessary infrastructure such as the first CHPP, the first Power Plant developed by private entity in Mongolia and vital road infrastructures for coal export, as well as other supporting infrastructures.
SDG 10: Reduced inequalities	We remain committed to provide equal employment opportunities, equal pay systems and respect the rights of our people. In 2021, local employees made up around 39% of our total workforce and 4% of total employment consists of persons with disabilities.
SDG 11: Sustainable cities & communities	Our Sustainability and CSR policies guide our activities in the area of sustainability. In addition to programs in the community engagement, we provide free of charge washed thermal coal to the state.
SDG 12: Responsible consumption & production	We aim to ensure a gradual increase of energy and water savings at all applicable fields of our operation by introducing systematic production efficiency in coal production and processing. Our product handling, sales and shipment as well as the relationship with buyers and customers are guided by the International Commercial Terms published by the International Chamber of Commerce.

SDG 13: Climate action	In line with our overall Sustainability policy, we are adopting an integrated approach to managing our climate-related risks. We review our emissions regularly and apply strict air quality control standards across our operations. We have scaled up our emission measurement to include all 3 scopes of GHG emissions since 2019.
SDG 14: Life below water	Not in line with our operations.
SDG 15: Life on land	Our "Land Management Plan" provides a sound framework for rehabilitation and other activities which involve leveling and contouring, reshaping, adding topsoil and land re-vegetating to restore the land for future use.
SDG 16: Peace, justice & strong institutions	We follow ethical business practices in our purchasing and supply management and require our suppliers to adhere to our social and business procedures. All our suppliers are required to acknowledge our Code of Codex and strictly follow safety, environment and quality related standards.
SDG 17: Partnerships for the goals	▪ Extractive Industry Transparency Initiative ▪ International Finance Corporation – Voluntary code of practice on Water Management ▪ Mongolian National Mining Association – Voluntary codex for Responsible Mining ▪ Sustainability dialogue Mongolia

INDUSTRY OVERVIEW

Global steel market overview



Source: Bloomberg Intelligence, World Steel Association

2021 GLOBAL STEEL MARKET

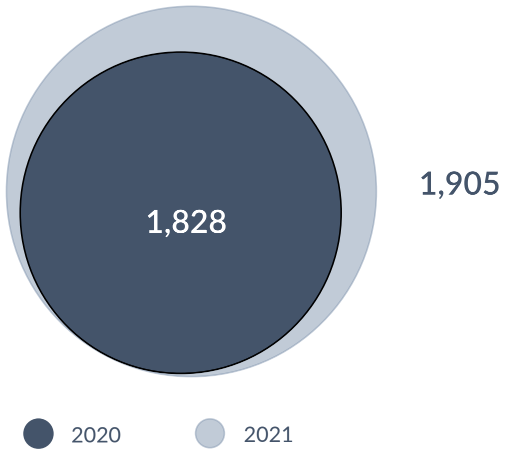
Global steel production increased by 4.2% in 2021, China's steel production fell in 2021 as the industry goal for the year was to keep the production rate lower to reduce emissions. The deceleration is attributable to the debt related shocks in the property market, government cap on steel production, and spike in raw material prices

In the US, steel demand was supported by the durable goods and automotive sector but due to the slowed activities in the construction sector, demand remained lower in second half of the year. Steel output in the US grew around 16% y-o-y.

European steel production increased in 2021, by more than 12% y-o-y but the production price surged along with the increased energy prices. Steel demand from the automotive sector fell due to a shortage in semiconductor chip. Global steel demand is expected to slowdown by 1-1.5% in 2022.

2021 GLOBAL STEEL PRODUCTION

(Mt)

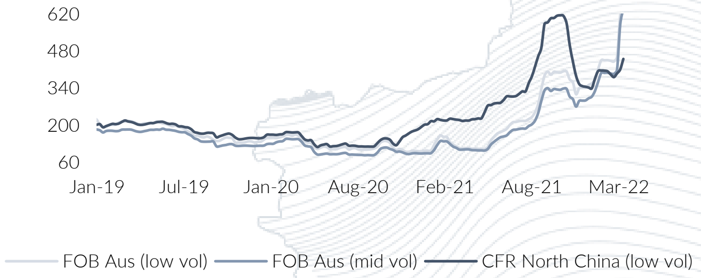


INDUSTRY OVERVIEW

Market environment

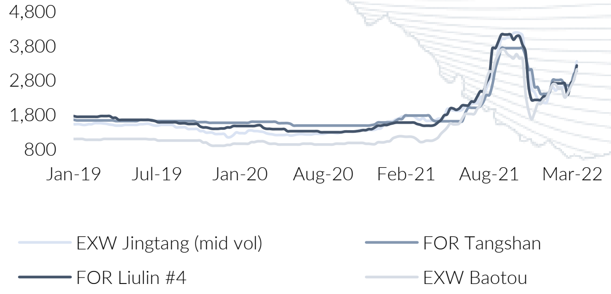
SEABORNE COKING COAL PRICES

(USD)



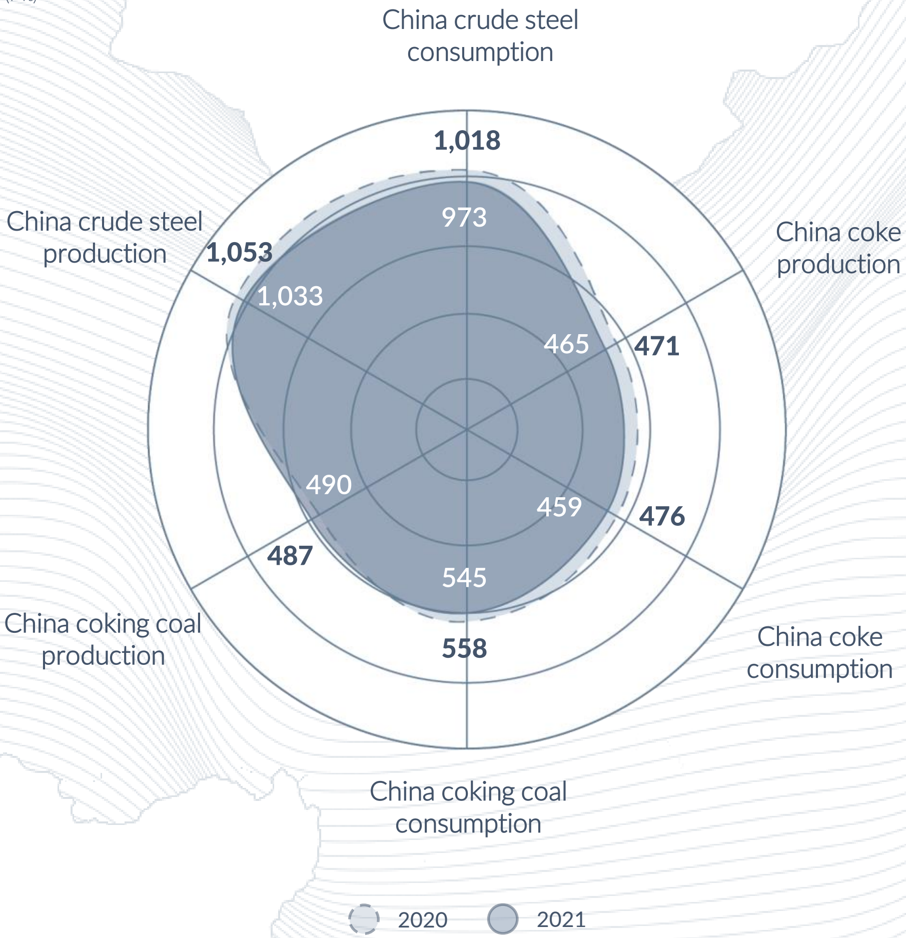
CHINA COKING COAL PRICES

(CNY)



CARBON STEEL INDUSTRY

(Mt)



CHINA COKING COAL IMPORT[1]

(Mt)

2021 — 54.7

Mongolia	14.0
Russia	10.7
USA	10.2
Canada	9.3
Australia	6.2
Others	4.2

2020 — 72.6

Australia	35.4
Mongolia	23.8
Russia	6.7
Canada	4.7
USA	1.0
Others	1.1

2019 — 74.7

Australia	33.8
Mongolia	30.9
Russia	5.4
Canada	3.0
USA	1.1
Others	0.3

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

COVID-19 PANDEMIC AND RELATED LEGISLATION:

COVID-19 Pandemic and State Response:

Throughout 2021, the effective period of the Law on Prevention from and Fight Against Coronavirus (COVID-19) Pandemic and Mitigating its Social and Economic Impact was extended several times. The last extension was made on 31 January 2022 and the effective period of the Law was extended until 31 December 2022. As part of this Law, the GoM will continue to have authorisation to take respective response measures against COVID-19 impacts.

The COVID-19 color-coded alert level "red" was imposed by the GoM after the first local transmission cases were reported in November 2020. All public activities were restricted, full or partial lockdowns were enforced several times to limit movements of people. The COVID-19 color-coded alert level was downgraded from "red" to "orange" from 1 July 2021 until 14 February 2022, under which public activities were permitted with certain limitations, with sports and entertainment facilities opening with up to 50% capacity requirements. On 14 February 2022, the GoM resolved to further downgrade the color-coded alert level from "orange" to "yellow" under which all types of public activities were permitted without restrictions, lifting the enhanced readiness status and opened its borders for all passengers, subject to vaccination and testing requirements.

On 30 December 2021, the Parliament adopted the "New Revival Policy" to stimulate post-pandemic economic recovery.

The policy addresses six focus areas to drive economic growth, including (i) port logistics and infrastructure; (ii) energy; (iii) industrialisation; (iv) urban and rural living standards; (v) green development; and (vi) public service efficiency.

COVID-19 Impact on Operations:

Due to increase of domestic infection rate of COVID-19 in Mongolia, stricter prevention rules with limited border crossing continued to be applied at the GS-GM border crossing checkpoint during 2021.

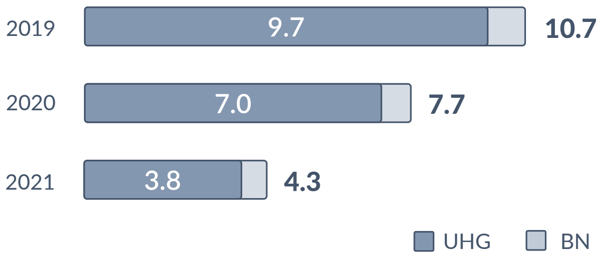
In order to secure export shipments by minimizing COVID-19 impact, on 2 July 2021, the GoM issued Resolution No.185, to establish a custom bonded terminals for containerized shipments at key border checkpoints for coal exports under public-private-partnership principles. Accordingly, on 5 July 2021, Mongolian Customs General Administration and Border Protection General Administration have allotted 30-hectare area at the GS border checkpoint for such terminal construction ("GST"). The GST is designed to lessen human-to-human contract and lower the risk of cross-border infection transmission, thus allowing to increase coal exports.

Energy Resources LLC ("ER"), a wholly-owned subsidiary of the Company, was assigned with the task to manage this project, with the construction successfully completed in September 2021 and subsequently the GST was commissioned by the relevant authorities on 7 October 2021. This project was 60%, 15% and 25% jointly financed by Erdenes Tavantolgoi JSC, Tavantolgoi JSC and ER, respectively. The GST capacity utilisation was agreed in same split among companies and ownership transferred to Border Port Special Administration.

BUSINESS OVERVIEW

Operational performance

ROM COAL PRODUCTION
(Mt)



A total of 25.3 million bank cubic metres ("**bcm**") and 4.3 million bcm of prime overburden was removed with an actual stripping ratio of 6.7 bcm and 8.0 bcm per ROM tonne, from UHG and BN mines, respectively.

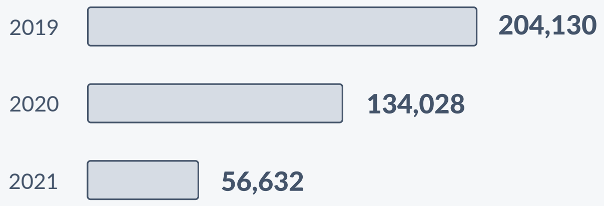
Increase in stripping ratio for UHG mine compared to 5.6 bcm per ROM tonne reported in 2020, is primarily, due to continuous adjustments undertaken to mining schedules in connection with cross-border logistics situation. With substantial overburden removal performed in 2021, the Group expects its stripping activities to be lower in 2022.

WASHED COAL PRODUCTION
(Mt)

In 2021, total CHPP ROM coking coal feed was 3.7 Mt with primary product output of 1.8 Mt comprised of 1.6 Mt of washed hard coking coal ("**HCC**") and 0.2 Mt of washed semi-soft coking coal ("**SSCC**").

Throughout 2021, the Company made downward adjustments to its production levels due to low throughput and uncertainty as a result of the COVID-19 pandemic. Operations were adjusted and at certain times fully suspended for a period from mid-June to the end of September.

GS-GM THROUGHPUT [1]



During 2021, coal transportation via GS-GM were significantly impacted due to COVID-19 with 56,632 coal-loaded trucks passed from Mongolia to China compared to 134,028 coal-loaded trucks passed in 2020, a 57% y-o-y decline.

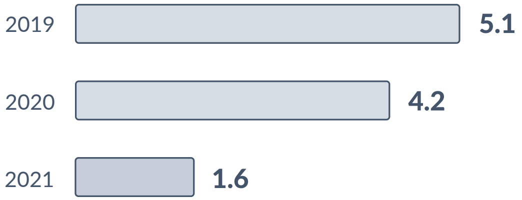
Certain improvements were observed in October and November after GST launched its operations. Unfortunately, Chinese authorities restricted number of coal-loaded trucks passing via GS-GM from December after omicron variant spread.

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

FINANCIAL OVERVIEW

Revenue and profitability

SALES VOLUME
(Mt)

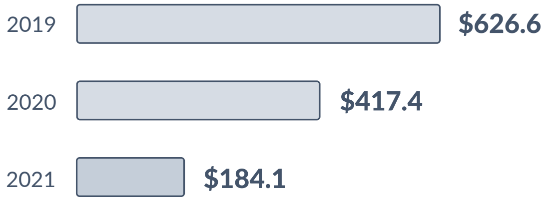


Total sales volume in 2021, includes 1.2 Mt of HCC, 66 Kt of SSCC and 0.4 Mt of thermal coal.

ASP of HCC/t[1]
(USD)

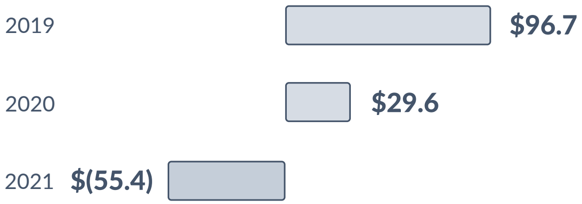
Coking coal prices and market demand remained strong during the year.

REVENUE
(USD mln)



The Group's sales volume fell 62% y-o-y, resulting in lower revenue.

NET PROFIT/(LOSS)
(USD mln)

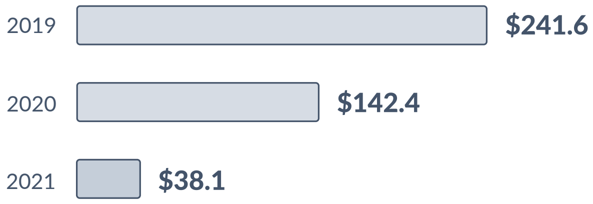


The continued impact of the COVID-19 pandemic affected the profitability of the Group resulting in net loss of USD55.4 mln for the period.

TOTAL COMPREHENSIVE INCOME
(USD mln)

Carrying amount of evaluated assets was increased and revaluation surplus in equity was recognized for the year ended 31 December 2021.

EBITDA[2]
(USD mln)



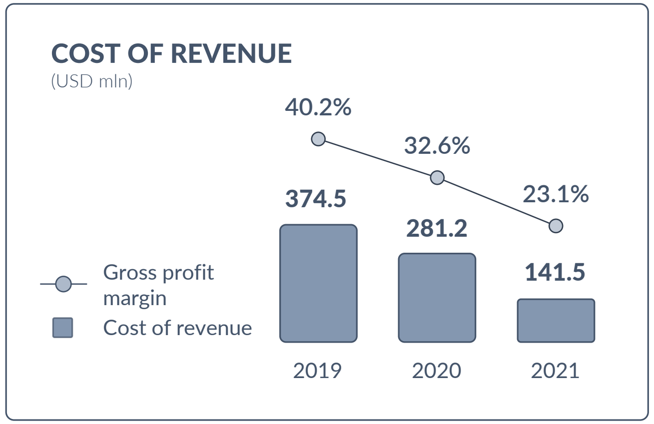
Please refer to slide 14 for the breakdown of the adjusted EBITDA.

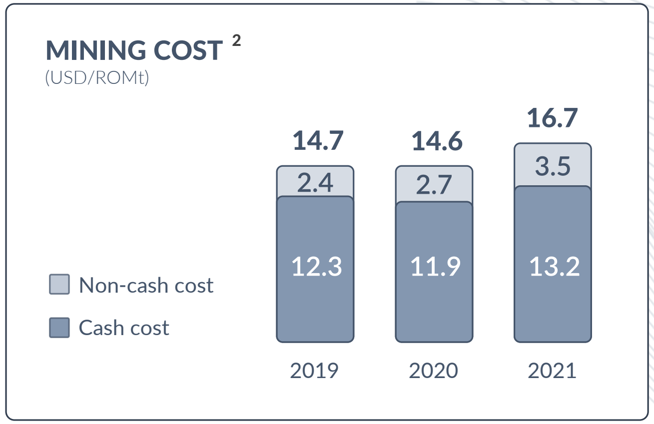
Although price of coking coal remained strong, due to increase in royalty and transportation costs, the Group's profit margins declined during the year.
ASP of HCC sales under DAP GM and EXW UHG terms were USD168.9 and USD141.4 per tonne, respectively.

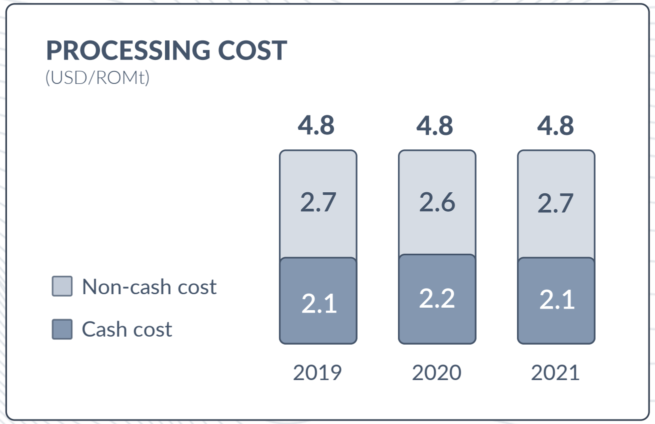
Note 1: Blended average price of all delivery terms.
2: Earnings before interest, taxes, depreciation and amortization adjusted by share option expenses, one-off items and other non-cash items.

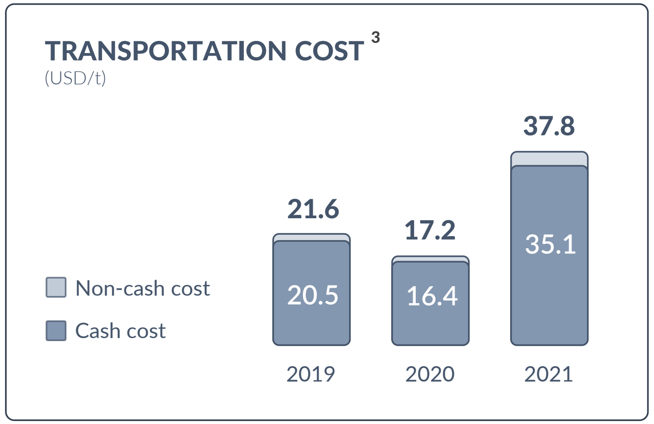
FINANCIAL OVERVIEW

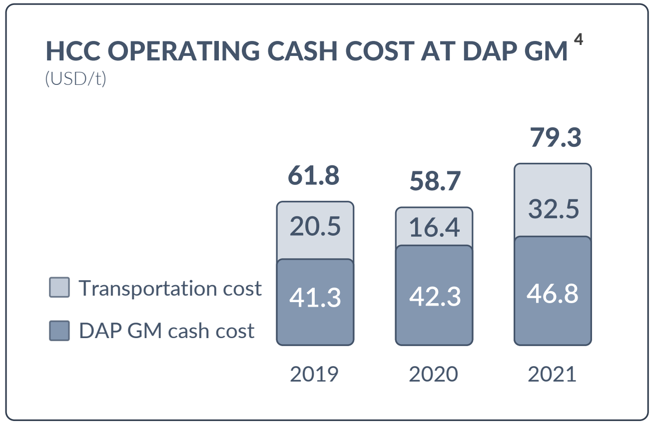
Operating cost structure [1]

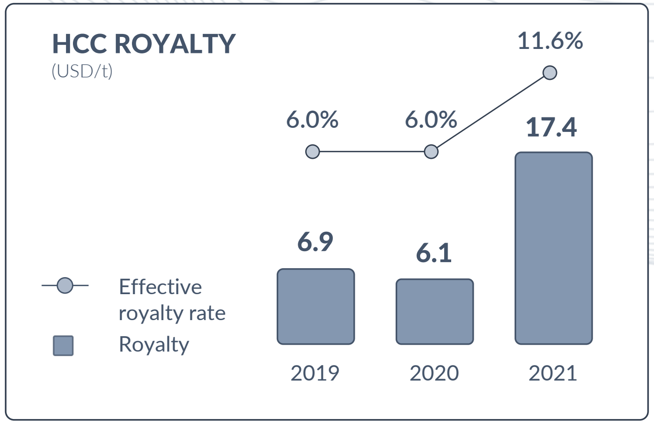












Increase in unit mining cash cost is mainly due to lower sales volume during the year. Transportation costs are tied to the overall border crossing situation, with 57% y-o-y throughput decline in 2021, transportation contractor tariffs increased. Royalty fees increased substantially compared to the previous reporting report.

Note 1: The figures presented on this page are exclusive of idling costs which was recorded as a result of the temporary adjustments to production levels in throughout the year due to the COVID-19 virus outbreak. Total idling cost of USD20.0 mln includes USD8.2 mln of depreciation and amortisation expense.
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, fees and other costs.

FINANCIAL OVERVIEW

Pricing and revenue recognition

Year	2014	2015	2016	2017	2018	2019	2020	**2021**
Effective Royalty Rate	5.0%	5.4%	5.0%	5.5%	5.5%	6.0%	6.0%	**11.6%**

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 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).

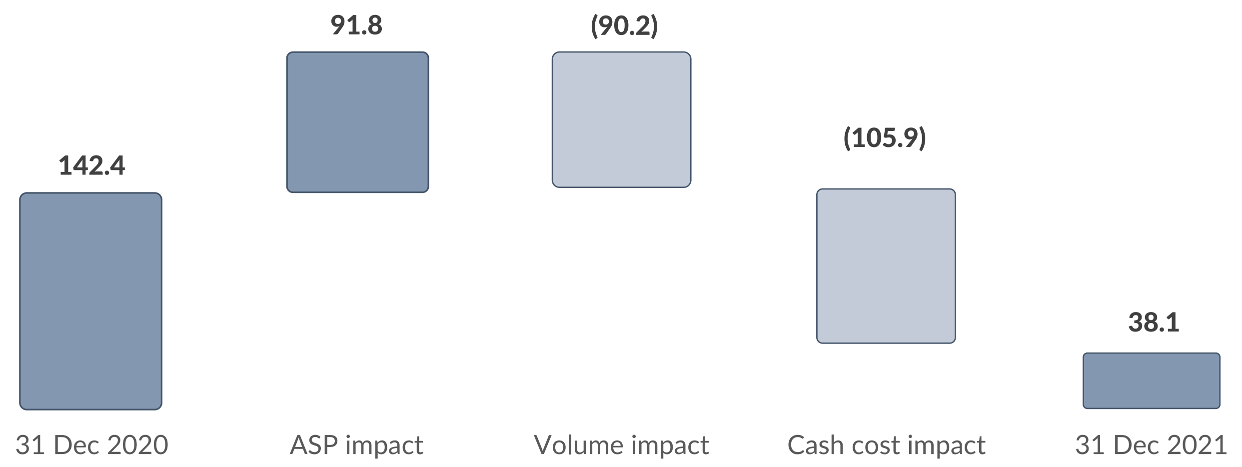
Average delivery days in 2020 was around 15-40 days compared to average delivery days of 50-170 days in 2021.

Note 1: Blended average price of all delivery terms.

FINANCIAL OVERVIEW

EBITDA breakdown

Adjusted EBITDA
(USD)



EBITDA

Adjusted EBITDA was affected by the impact of (i) lower HCC sales volume; and (ii) HCC cash cost impact. The decrease was partially mitigated by increase in ASP of HCC.

Increase in HCC cash costs were attributable to (i) increase in transportation costs and (ii) increase in royalty rates.

In 2021, the Group's sales volume fell 62% y-o-y to 1.6 Mt as compared to 4.2 Mt of sales in 2020.

Prices remained strong throughput the year and the Group was able to increase its ASP to USD150.6 as compared to USD121.4 during the reporting period in 2020.

FINANCIAL OVERVIEW

Balance sheet

(USD mln)	2019	2020	2021
Equity	$866.0	$888.2	$896.6
Debt/Equity ratio	0.5	0.5	0.5
Investing Activities	$97.5	$71.2	$56.8

(USD mln)	2019	2020	2021
Total asset	$1,732.2	$1,735.5	$1,879.1
Gearing ratio	25.9%	25.9%	24.1%
Cash	$40.6	$38.9	$25.9

TOTAL ASSET

The Group uses revaluation model for booking its PPE in accordance with IAS, and revaluations of buildings, plants, machinery and equipment should be made with sufficient regularity. In accordance with IAS 16, the Group engaged a third party to revaluate these assets as at 31 Dec 2021 (previous revaluation was done as at 31 December 2016).

As the result of the revaluation, the carrying amount of the evaluated fixed assets was increased and other comprehensive income of USD62.9 mln was recognized as a revaluation surplus in equity side of the balance sheet for the year ended 31 December 2021. The asset revaluation surplus is an accounting related adjustment and a non-cash item and therefore, does not have any impact on the cash flow of the Group. In addition, going forward annual depreciation amount will increase as result of asset revaluation surplus.

INVESTING ACTIVITIES

Total capitalised pre-stripping costs of USD44.5 mln incurred in 2021, consisted of USD27.1 mln and USD17.4 mln incurred in the first half and second half of the year, respectively.

Other investing activities during the year was USD12.3 mln, including financing of the container terminal project at the GS-GM border crossing point.

THANK YOU

Mongolian Mining Corporation
16F Central Tower, Sukhbaatar District
Ulaanbaatar 14200
Mongolia
www.mmc.mn
investor@mmc.mn