



Annual Results 2023

26 March 2024

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

Company overview

HKEX 975

FitchRatings 'B', Stable

MOODY'S 'B3', Stable

MSCI 'A'

CDP 'D'



Coking coal

The Group is the sole fully integrated washed coking coal producer and exporter in Mongolia.

UHG mine, producing since 2009, is owned and operated by ER, an indirect wholly owned subsidiary of MMC.

BN mine, producing since 2012, is owned and operated by KEX. On 21 February 2024, the Company agreed to divest 20% equity interest in KEX to Jiayou International Logistics Co., Ltd, subject to Closing conditions.

Coal Resources and Reserves ¹

Total resources ²	Above 300 m	714 Mt
1,052 Mt	Below 300 m	338 Mt
Total reserves ³	Coking	601 Mt
630 Mt	Thermal	29 Mt
Total marketable reserves ³	Coking	277 Mt
382 Mt	Middling/Thermal	105 Mt

Gold & Metals

On 25 January 2024, the Company became 50% equity holder in EM, which holds two mining licenses and one exploration license.

BKH mine is currently under development and first gold production is expected to start from 2Q 2025.

Gold & Silver Resources and Reserves ⁴

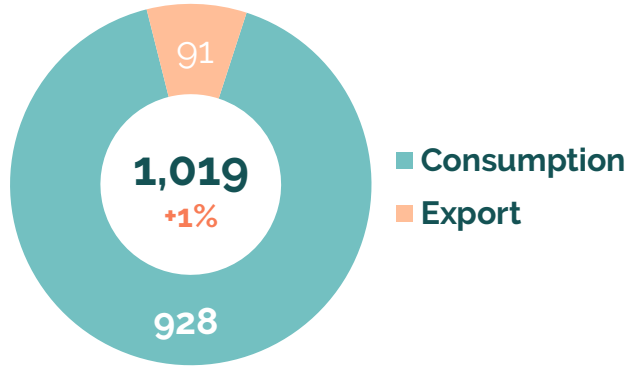
Total gold resources	Total silver resources
1,192 Koz	3,542 Koz
Total gold reserves	Total silver reserves
514 Koz	221 Koz

Notes:

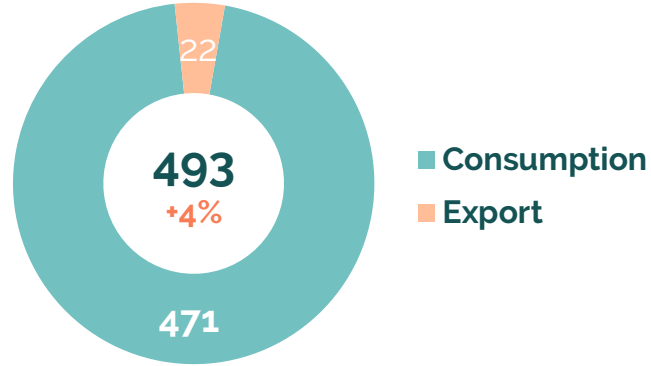
1. Pro-forma total resources and ROM coal reserves. Due to rounding, discrepancy may exist between sub-totals and totals. Rounding rules refer to 'Clause 25 of the JORC Code (2012).
2. Includes Measured, Indicated and Inferred Resource category as at 31 December 2022.
3. Includes Proved and Probable Reserve category as at 1 January 2023.
4. Pro-forma total resources and reserves prepared in accordance with NI 43-101 and CIM standards. Sources: (i) Bayan Khundii Project Updated Feasibility Study NI 43-101 Technical Report, 2023 (erdene.com), (ii) Altan Nar Project NI 43-101 Technical Report, 2021 (erdene.com).

Industry overview ¹

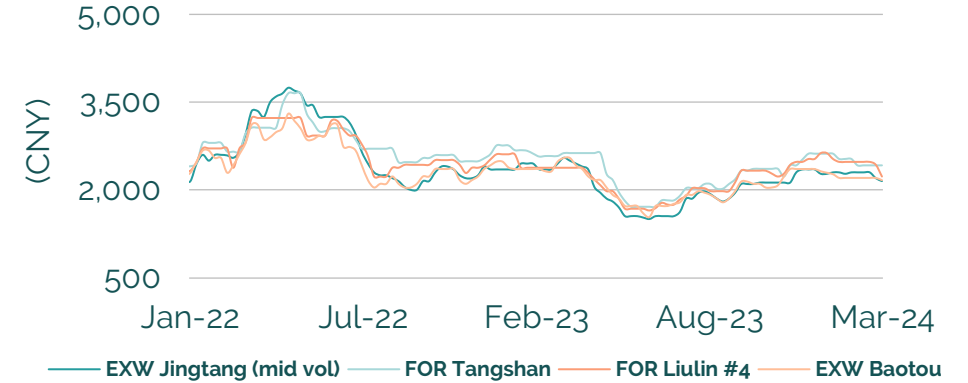
Crude steel production



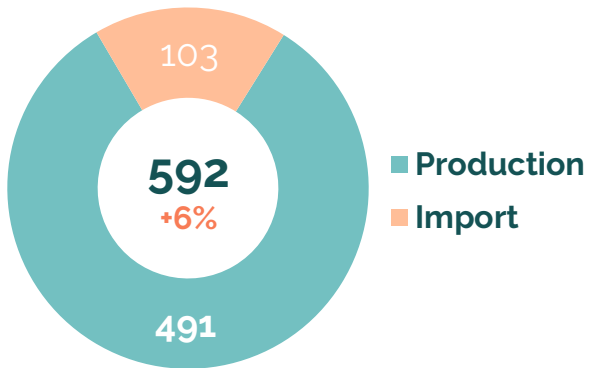
Coke production



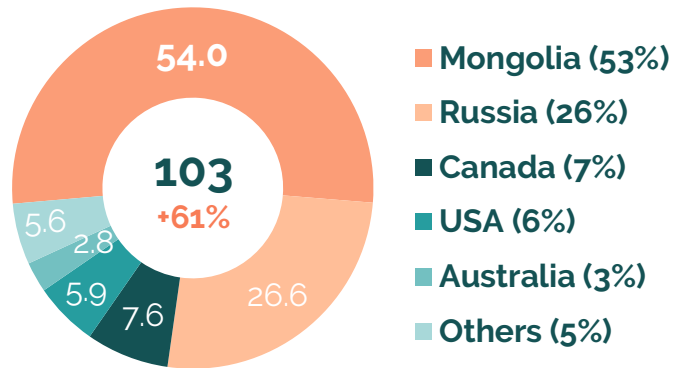
China coking coal prices



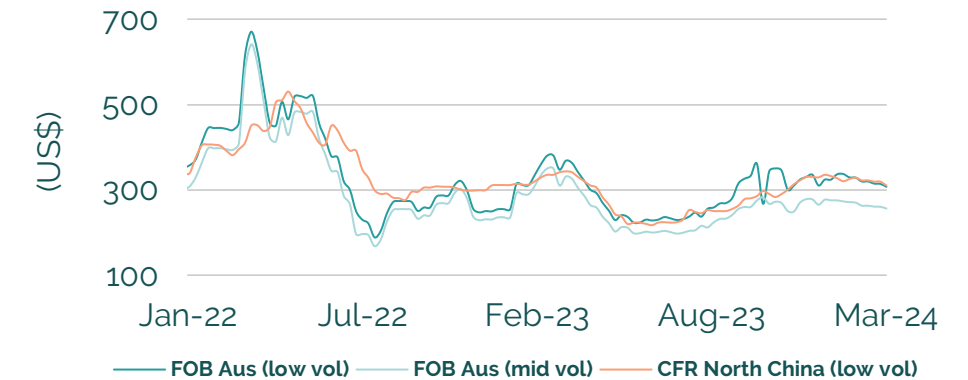
Coking coal consumption



Coking coal import



Seaborne coking coal prices

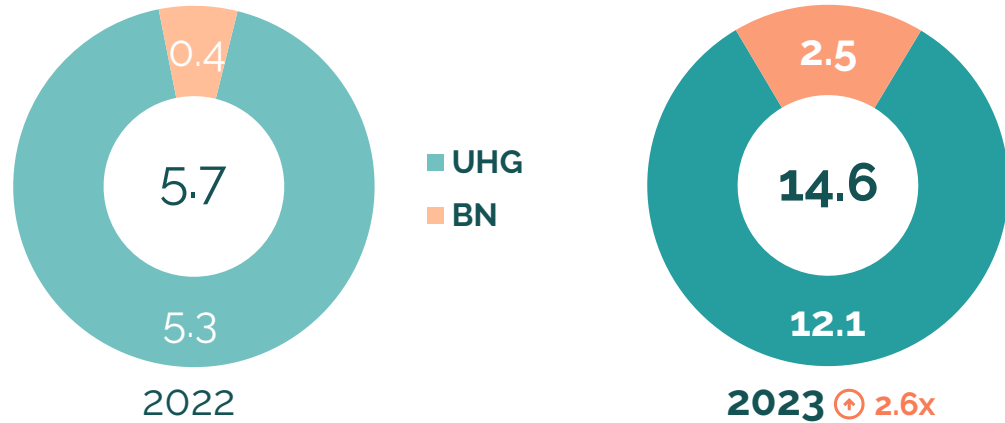


Notes:

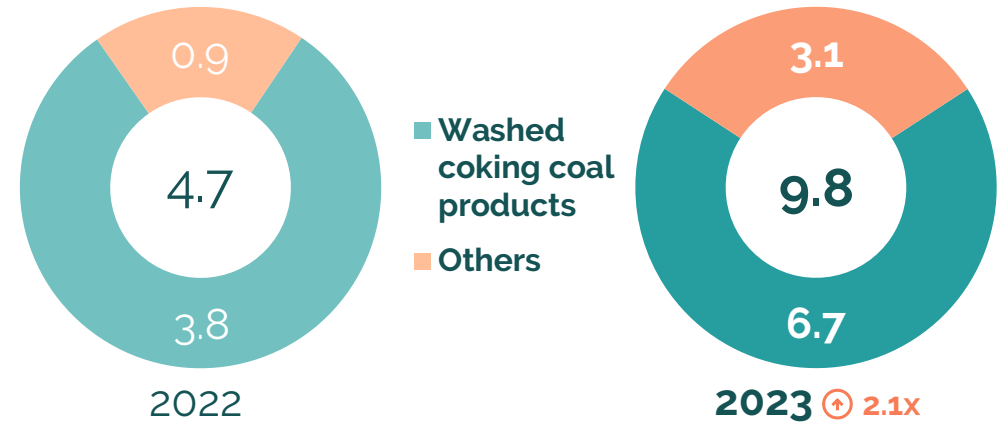
1. China 2023 industry figures expressed in million tonnes.

Operational performance ¹

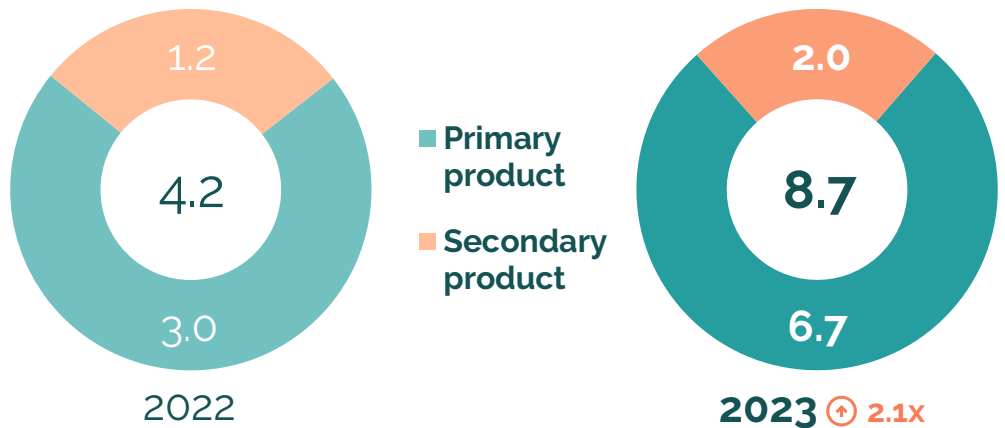
ROM coal production



Sales volume



Coal processing



Mongolian coal export ²



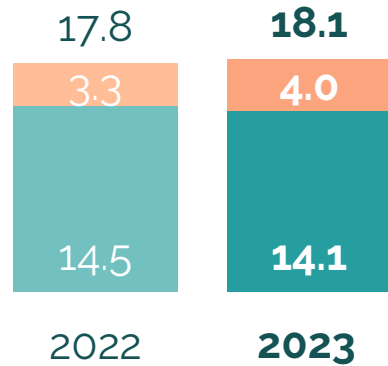
Notes:

- Operational figures expressed in million tonnes.
- Mongolia's total declared export volume. Mongolian exports include raw unprocessed, dry and wet processed coking coal. MMC export tonnages are processed coal with higher value.

ASP & Cost metrics

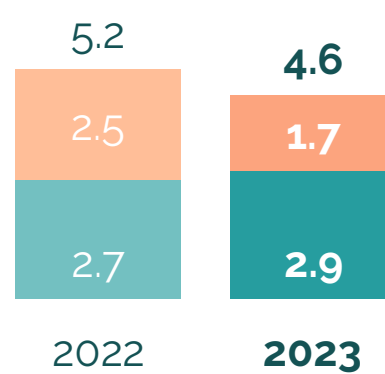
Mining cost ¹

(US\$/ROMt)



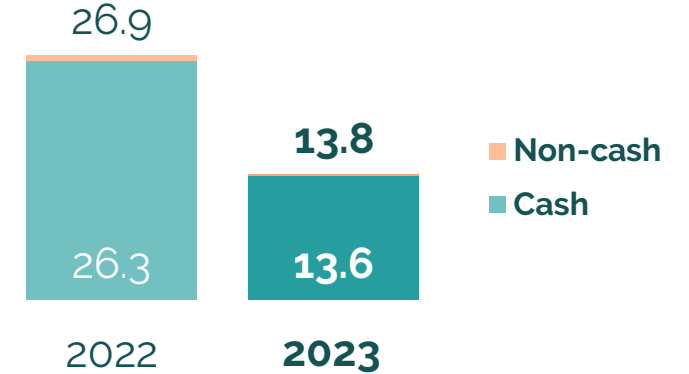
Processing cost

(US\$/ROMt)



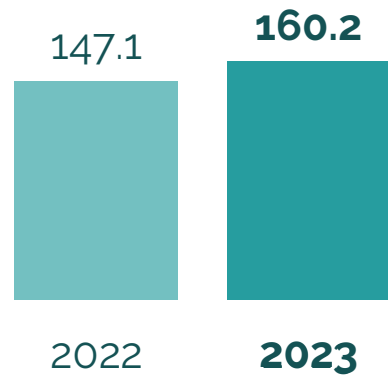
Transportation cost ²

(US\$/t)



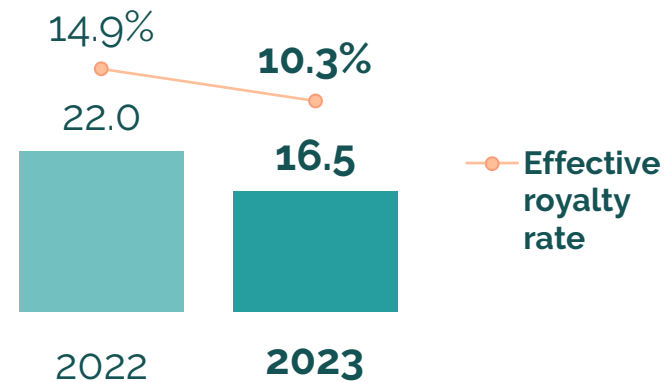
HCC ASP ³

(US\$/t)



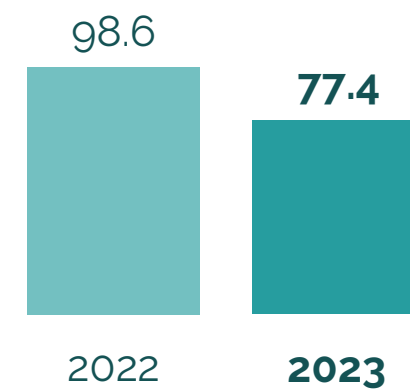
HCC Royalty

(US\$/t)



HCC operating cash cost at DAP GM ⁴

(US\$/t)



Notes:

1. UHG and BN combined average cost.
2. Total transportation costs divided by washed coking coal products sold.
3. Blended average selling price under all delivery terms.
4. Includes mining, processing, handling, transportation, logistics, fees, royalty and other costs.

Financial performance

US\$1.03 bn

Revenue

↑ **1.9X**

(2022: US\$546 m)

US\$509 m

EBITDA ¹

↑ **3.8X**

(2022: US\$134 m)

US\$(37) m

One-off items

SN24 exchange offer and redemption	US\$(13) m
Mining equipment transfer	US\$(24) m

US\$240 m

Profit

↑ **4.1X**

(2022: US\$59 m)

Notes:
1. Earnings before interest, taxes, depreciation and amortisation adjusted by share option expenses, one-off items and other non-cash items.

Cash flow

US\$481 m

**Net cash
from operating
activities**

⬆️ **2.1X**

US\$(172) m

Investing activities

Pre-stripping	US\$(93) m
Acquisition	US\$(40) m
Others	US\$(39) m

US\$(198) m

Financing activities

SN24 repurchase & repayment	US\$(167) m
Interest	US\$(31) m

US\$176 m

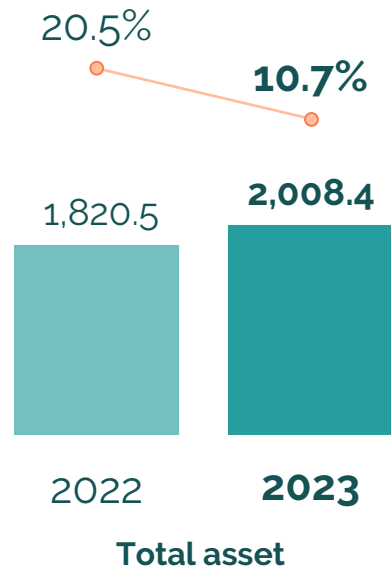
Year end cash

⬆️ **2.7X**

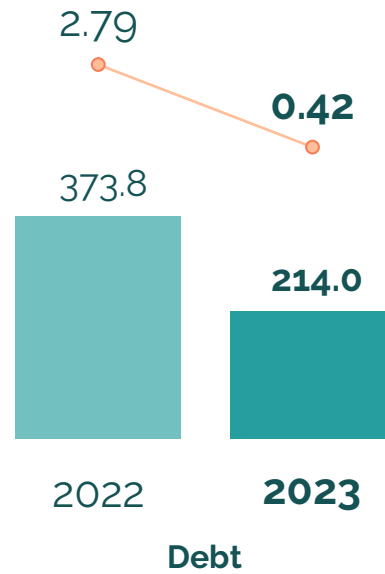
Cash at 31-Dec-22 US\$65 m

Balance sheet ¹

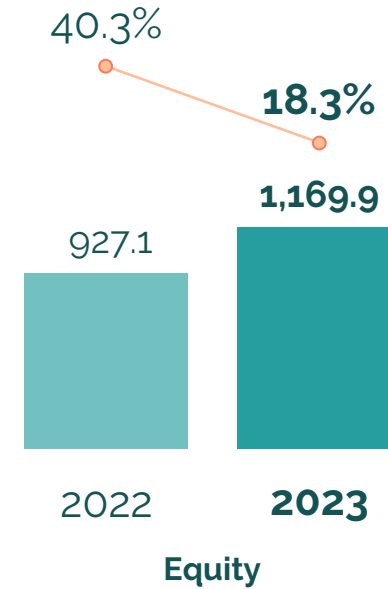
Debt to total asset



Debt to EBITDA



Debt to equity



Notes:

1. Balance sheet items expressed in million US\$. Debt includes carrying amount of senior notes represented in book value.

Sustainability reporting

GHG Emissions ¹

	Total emissions	Emissions/ROMt
SCOPE 1 direct	1.2 m tCO ₂ e (3.8%)	0.08 tCO ₂ e/ROMt
SCOPE 2 indirect	16.8 k tCO ₂ e (0.1%)	0.001 tCO ₂ e/ROMt
SCOPE 3 indirect	29.5 m tCO ₂ e (96.1%)	2.02 tCO ₂ e/ROMt
TOTAL	30.7 m tCO ₂ e	2.11 tCO ₂ e/ROMt

First Mongolian company to calculate and verify all three scopes of GHG emissions, in line with the GHG protocol.

The emissions verification is currently being performed by **SGS International Certification Services Singapore Pte Ltd** – world's leading certification company.

TSM ²

Protocols	Indicators	Score
Biodiversity Conservation	Commitment, accountability & communications	AAA
	Conservation planning and implementation	A
Climate Change	Facility Climate Change Management	A
Water Stewardship	Water governance, Operational water management	A
Energy Use & GHG Emissions	Management, Reporting Systems	A
	Performance targets	C
Safety & Health	Commitments and accountability	AAA
	Training behaviour and culture, Performance	AA
	Monitoring and reporting	B
Community Relationships	COI Identification, Engagement and Dialogue	A

The Mining Association of Canada's Towards Sustainable Mining (**TSM**) standard is a globally recognized sustainability program that supports mining companies in managing key environmental and social risks.

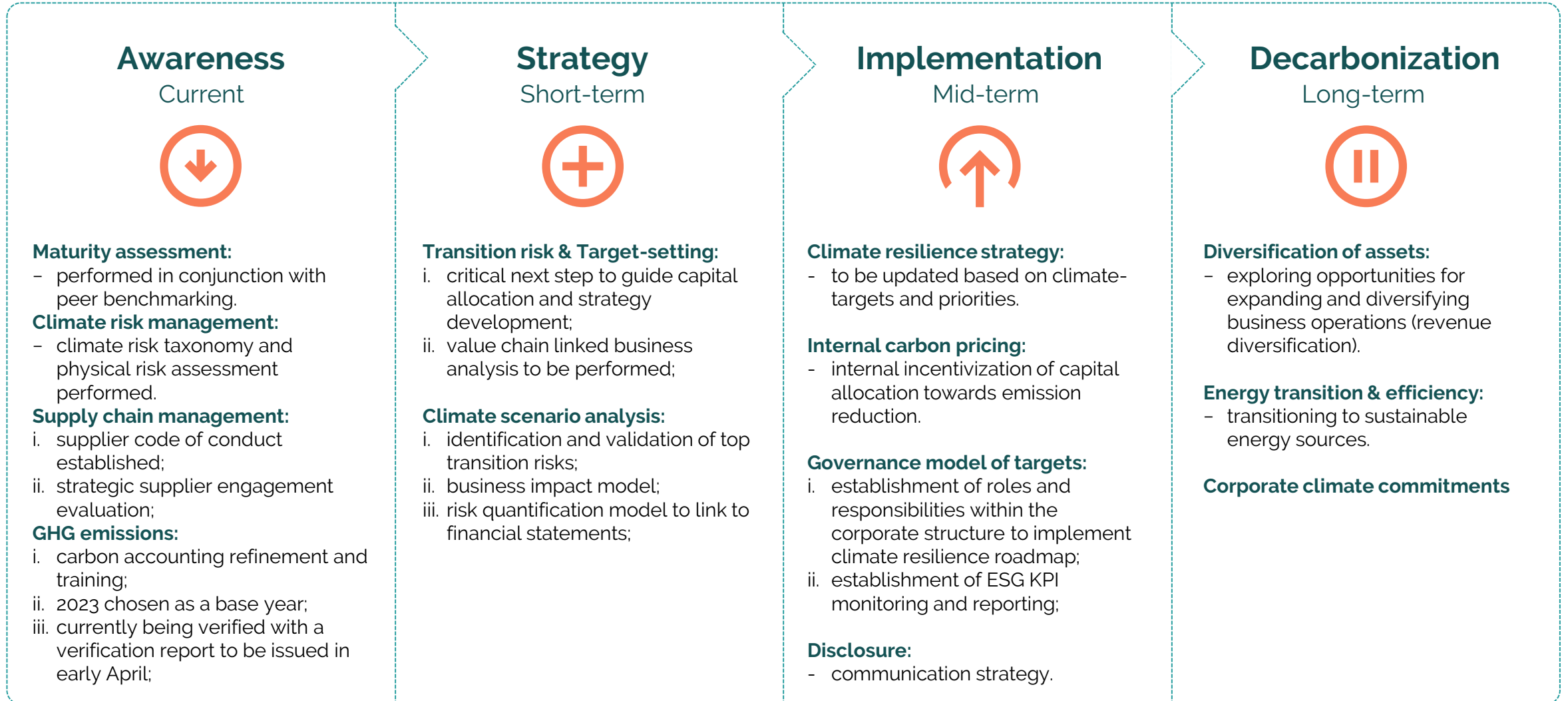
The Group is the first international company to publicly submit the TSM self-assessments through a subscription service independent of a national mining association.

External verification is expected to be performed in mid-2024.

Notes:

1. Preliminary figures, subject to completing verification process by SGS.
2. TSM published results: [Mongolian Mining Corporation – TSM](#).

Carbon neutrality roadmap



THANK YOU



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