



(Incorporated in the Cayman Islands with limited liability)
HKEX: 975 | OTCQX: MOGLF

INTERIM REPORT 2026



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OVERVIEW



About us

Mongolian Mining Corporation ("MMC" or the "Company" and together with its subsidiaries, the "Group") (HKEX: 975; OTCQX: MOGLF) is the largest internationally listed private mining company with operations focused on and located in Mongolia. The Group has consolidated a diversified business portfolio to develop and operate coking (metallurgical) coal, gold, silver, copper, and other non-ferrous metals mining assets in southern and western regions of Mongolia.

MMC owns and operates the Ukhaa Khudag ("UHG") and the Baruun Naran ("BN") open-pit coking coal mines, both located in the Umnugobi aimag (South Gobi province), Mongolia.

MMC also owns 50% equity interest in Erdene Mongol LLC ("EM"), which holds two mining licenses, including Bayan Khundii ("BKH") and one exploration license located in Bayankhongor aimag (province), Mongolia.

Mission

To undertake safe and profitable mining and processing of mineral resources while promoting the development of Mongolia, through combination of modern technology and human endeavor.

Vision

We strive to become a leading mining company in the region by maximising value for our shareholders and for the communities where we operate.



We recognise that people are our key asset. MMC places the safety of our personnel the highest priority. As a responsible employer, MMC provides equal employment opportunities within a meritocratic workplace.

MMC aims to use technology and innovate in the same to produce quality products safely at the lowest cost. MMC continues to contribute to the development of technical standards in the global extractive industry.

MMC strives to minimise the impact of our operations on the environment. MMC complies with all required environmental standards, and take further measures to prevent and mitigate potential environmental impact.

MMC strives to build mutually beneficial relationships with local communities and officials. MMC contributes to social development through community development initiatives and other programmes.

MMC fosters mutually beneficial relationships with our suppliers and contractors. MMC develops, maintains and values long-term relationships with our customers.

MMC complies with the best international practices. MMC continues to cultivate a culture of corporate governance as an integral part of its ongoing organisational development.

Corporate information

Stock code: HKEx: 975;
OTCQX: MOGLF | website: www.mmc.mn

BOARD OF DIRECTORS		
Executive	Non-Executive	Independent Non-Executive
Odjargal Jambaljamts (Chairman) Battsengel Gotov (Group Chief Executive Officer)	Enkhtuvshin Gombo Ariunbayar Byambadorj	Chan Tze Ching, Ignatius Delgerjargal Bayanjargal Tsend-Ayush Tuvshintur

COMPANY SECRETARY	AUTHORISED REPRESENTATIVES
Lee Mei Yi (appointed on 26 June 2026) Cheung Yuet Fan (resigned on 26 June 2026)	Battsengel Gotov Lee Mei Yi (appointed on 26 June 2026) Cheung Yuet Fan (resigned on 26 June 2026)

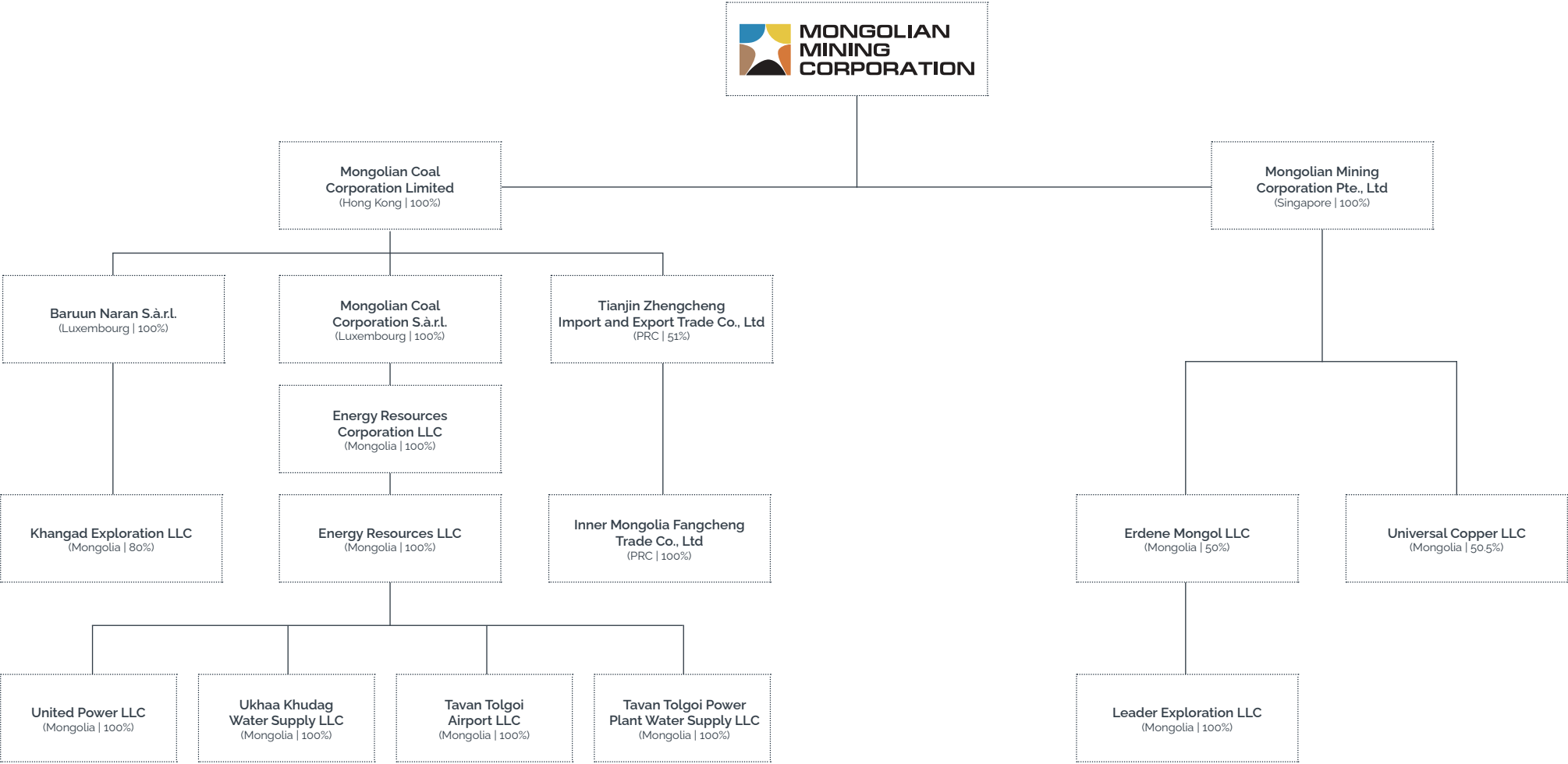
REGISTERED OFFICE	PRINCIPAL PLACE OF BUSINESS IN HONG KONG	HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MONGOLIA
Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands	Room 1910, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong	16th Floor, Central Tower Sukhbaatar District Ulaanbaatar, 14200 Mongolia

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE	HONG KONG SHARE REGISTRAR
Suntera (Cayman) Limited Suite 3204, Unit 2A, Block 3 Building D, P.O. Box 1586 Gardenia Court, Camana Bay Grand Cayman, KY1-1100, Cayman Islands	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong

Group Structure

(as at 30 June 2026)



FINANCIAL & OPERATING REVIEWS



Coking (Metallurgical) Coal

INDUSTRY OVERVIEW

In the first half of 2026, China produced 500.0 million tonnes (“Mt”) of crude steel, compared to 515.5 Mt reported in the corresponding period of 2025, representing a 3.0% year-on-year (“YoY”) decrease. Despite the decline, China accounted for 53.7% of total global steel production, according to the World Steel Association. China’s domestic crude steel consumption and steel exports declined by 2.8% and 5.5% YoY, respectively.

According to Fenwei Digital Information Technology Co., Ltd. (“Fenwei”), China’s coke production and coke consumption in the first half of 2026 were 252.5 Mt and 248.3 Mt, respectively, representing a 1.2% and 4.8% YoY increase, respectively. China’s coke exports increased by 14.3% YoY to 4.0 Mt in the reporting period. According to Fenwei, China’s coking coal consumption increased to 301.6 Mt in the first half of 2026 from 296.3 Mt in the corresponding period of 2025, while domestic coking coal production decreased to 228.7 Mt from 237.9 Mt.

The General Administration of Customs of China reported that China’s coking coal imports reached 66.9 Mt in the first half of 2026, remaining at elevated levels, representing a 26.7% increase from the corresponding period of 2025. Imports from Mongolia increased by 63.7% YoY, reaching a record high level of 40.6 Mt from 24.8 Mt in the corresponding period of 2025, whereby Mongolia strengthened its position as the leading source for imported coking coal by accounting for 60.7% of the total coking coal imports to China, as tabulated below.

Table 1. China’s coking coal imports by country (Mt) (Notes):

Country	1H2026	Market Share	1H2025	Change
Mongolia	40.6	60.7%	24.8	+63.7%
Russia	17.3	25.9%	14.8	+16.9%
Australia	4.6	6.9%	3.8	+21.1%
Canada	3.0	4.5%	5.4	-44.4%
USA	–	0%	2.9	-100.0%
Others	1.4	2.1%	11	+27.3%
Total	66.9	100.0%	52.8	+26.7%

Source: Fenwei.

- Notes:
- (i) Imports from Mongolia include raw unprocessed, dry and wet coking coal.
 - (iii) Rounding may cause minor discrepancies in totals and percentages.

LEGAL FRAMEWORK DEVELOPMENTS

Progress Update on Strategic Deposits

As reported in the Company’s previous periodic reports, the Law on the National Wealth Fund and amendments to related Mongolian laws, including the Minerals Law, came into effect on 11 May 2024, pursuant to which the state may hold up to 50% of the shares free of charge in a legal entity holding a license covering Mineral Deposits of Strategic Importance (“Strategic Deposits”) reserves defined through state-funded exploration, or up to 34% of the shares free of charge where the Strategic Deposits reserves is defined through privately funded exploration, with such shareholding alternatively replaceable by a special royalty, as to be defined by the Parliament. On 10 February 2026, the former Prime Minister of Mongolia signed a non-legally binding Memorandum of Understanding (“MoU”) with certain private entities holding mining licenses covering Strategic Deposits, including Energy Resources LLC (“ER”) and Khangad Exploration LLC (“KEX”).

On 6 May 2026, the Prime Minister of Mongolia, Mr. Uchral Nyam-Osor, announced that the Government of Mongolia (“GoM”) will prepare a separate law establishing a uniform methodology for determining state participation in Strategic Deposits and the distribution of corresponding economic benefits to the National Wealth Fund, in place of separate negotiations with individual license holders. The Company will make further announcement(s) regarding the progress of the draft law as and when appropriate.

Mining Industry

As of the date of this report, the draft amendments to the Minerals Law (2006) are at the final reading with approval expected following the autumn session. Key revisions relevant to the Group include limiting the 2.5% base royalty rate to domestic sales of coal for power generation and heating purposes, a more comprehensive mine closure regime with financial assurance requirements, and an increase in the annual mining license fee for coal deposits from MNT7,250 to MNT12,000 per hectare. As the majority of the Group’s coal sales are for exports, the Group does not expect the proposed amendments to have any material adverse impact on its operations or financial position and will ensure compliance following their entry into force.

Business Environment

On 3 July 2026, the Parliament of Mongolia (“Parliament”) adopted the Law on Economic Freedom, strengthening the protection of property rights and the freedom to conduct business, including prohibitions on state authorities granting preferential treatment to certain business operators and unlawfully confiscating or expropriating private property. As an accompanying law, the Investment Law (2013) was amended to introduce a dispute resolution framework under which investors may submit complaints regarding unlawful acts or omissions of state authorities, with unresolved complaints eligible for escalation to a cabinet meeting of the GoM. In addition, on 5 June 2026, the Parliament repealed the law that had vested the GoM with the authority to place enterprises under its direct control for up to six months, which came into effect on 1 July 2026. The Group considers that these developments will strengthen investment protection and reduce state intervention in business activities in Mongolia.

Environment

On 22 May 2026, the Parliament adopted amendments to the Law on Environmental Impact Assessment (2012), which came into effect on 1 August 2026, that streamline the approval process by narrowing the mandatory consultation requirement to residents directly affected by a project and permitting environmental management plans to be approved for periods of up to ten years rather than annually, while expanding the scope of environmental impact assessments to include social and public health impacts. The Group expects these amendments to reduce approval delays and will ensure compliance with the revised requirements.

Taxation

On 26 June 2026, the Parliament adopted amendments to key tax laws, which will come into effect on 1 January 2027. Under the amended Corporate Income Tax Law, the two-tier progressive regime will be replaced with a three-tier regime, under which annual taxable income of up to MNT6 billion will remain subject to a 10% rate, the portion of taxable income exceeding MNT6 billion but not exceeding MNT10 billion will be subject to a new 15% rate, and the portion exceeding MNT10 billion will remain subject to a 25% rate.

COAL MINING ASSETS

The Group is the largest producer and exporter of washed coking coal products in Mongolia. ER, its wholly-owned subsidiary, operates the Ukhaa Khudag (“**UHG**”) coking coal mine, and KEX, its majority-owned subsidiary, operates the Baruun Naran (“**BN**”) coking coal mine, both located in Umnugobi aimag (province), Mongolia.

The UHG deposit sits within the 2,960 hectares covered by Mining License MV-011952 (“**UHG mining license**”), granted to the Group effective for 30 years from 29 August 2006. The BN deposit is covered by two mining licenses, mining License MV-014493 (“**BN mining license**”) of 4,482 hectares area was obtained on 1 June 2011, and is effective for 30 years from 1 December 2008, while Mining License MV-017336 (“**THG mining license**”) of 8,340 hectares area was granted to the Group on 24 June 2013, effective for 30 years. All three licenses are extendable twice by 20-year periods.

PRODUCTION AND SALES

The Group mined a total of 9.3 Mt of ROM coal during the first half of 2026, comprising 7.1 Mt from the UHG mine and 2.2 Mt from the BN mine. ROM coal from both mines is processed at the Group's coal handling and preparation plant (“**CHPP**”). During the six months ended 30 June 2026, the Group processed 8.4 Mt of ROM coal, resulting in total washed coal output of 5.1 Mt.

Coal products were transported to the Ganqimaodu (“**GM**”) border crossing using a combination of the Group's own trucking fleet and third-party contractors. During the first half of 2026, the Group started utilising rail transportation from the UHG rail terminal to the Gashuunsukhait transshipment terminal, with approximately 189.9 thousand tonnes (“**Kt**”) of coal products transported by rail during the reporting period.

The Group's coal sales volume increased to 5.7 Mt during the reporting period from 4.2 Mt in the corresponding period of 2025. The total washed coking coal product mix comprised 2.6 Mt HCC, 0.2 Mt SSCC and 2.4 Mt MASHCC (1H2025: 2.0 Mt, 0.3 Mt, and 1.0 Mt, respectively).

Coal products are sold by the Group under various delivery terms, including ex-works UHG terms and Free-Carrier Tsagaan Khan terms for local sales, and Delivery-at-Place GM and Free-on-Transport GM (“**FOT GM**”) terms for export sales. The Group sells its coal products through direct sales to long-term customers and online auctions via the Mongolian Stock Exchange (“**MSE**”) commodity exchange platform, with online auction sales accounting for 38% of the Group's total sales volume during the first half of 2026 (1H2025: 24%).

COAL RESOURCES AND RESERVES

Coal Resource estimates were prepared in accordance with the requirement of the JORC Code (2012) and updated as at 31 December 2025.

Table 2. The Group's Coal Resources as at 31 December 2025 (Notes):

Deposit	Resource Category				Total M+I (Mt)
	Measured (Mt)	Indicated (Mt)	Inferred (Mt)		
UHG	430	30	60		460
BN	320	50	30		370
THG	–	70	20		70
Pro-Forma Total	750	150	110		900

- Notes:
- (i)

Technical information in the UHG, BN and THG Coal Resource estimation reports has been compiled by Mr. Byambaa Barkhas, an employee of the Group. Mr. Barkhas is a member of the Australasian Institute of Mining and Metallurgy (the “AusIMM”) (Member #318198) and has over 16 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012). Mr. Barkhas consents to the inclusion and the release of the matters based on this information in the form and context in which it appears in this report. The estimates of the Coal Resource set out in Table 2 presented in this report are considered to be a true reflection of the UHG, BN and THG Coal Resources as at 31 December 2025 and have been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012).
- (ii)

Internal peer audit of these latest structural and coal quality models was conducted by Mr. Lkhagva-Ochir Said. This peer audit confirmed the Group's work to update the UHG, BN and THG geological model, and thus the Coal Resource estimate for the UHG, BN and THG mining license areas, was in compliance with requirements of the JORC Code (2012). Mr. Said is employed by the Group as Chief Technical Officer. Mr. Said is a member of the AusIMM (Member #316005) and has over 18 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012).
- (iii)

Due to rounding, discrepancy may exist between sub-totals and totals. Rounding rules refer to Clause 25 of the JORC Code (2012).

Coal Reserve estimates were prepared in accordance with the requirement of the JORC Code (2012) and updated as at 1 January 2026.

Table 3. The Group's run-of-mine (“ROM”) Coal Reserves estimate as at 1 January 2026 (Notes):

Deposit	Coal Type	Reserve Category		Total (Mt)
		Proved (Mt)	Probable (Mt)	
UHG	Coking	301	10	311
	Thermal	17	–	17
	Total	318	10	328
BN	Coking	235	23	258
	Thermal	8	1	9
	Total	243	24	267
Pro-Forma Total		561	34	595

- Notes:
- (i)

The estimate of Coal Reserve presented in Table 3 has been carried out in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code (2012). Technical information in the UHG and BN Coal Reserve estimation reports has been compiled by Mr. Naranbaatar Lundeg, who is a member of the AusIMM (Member #326646). He is the Executive Consultant of Glogex Consulting LLC. He holds a bachelor's degree of mining industrial management and a master's degree of business administration in the field of financial management. He has extensive experience in the mining industry, having worked with major mining companies and as a consultant for over 24 years. During this time, he has either managed or contributed significantly to numerous mining studies related to the estimation, pit optimisation, mine planning, assessment, evaluation and economic extraction of coal in Mongolia. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify him as a Competent Person as defined under the JORC Code (2012). Mr. Lundeg consents to the inclusion and the release of the matters based on this information in the form and context in which it appears in this report.
- (ii)

Due to rounding, discrepancy may exist between sub-totals and totals.

The average selling price (“**ASP**”) for all washed coal products sold under various delivery terms was USD90.9 per tonne during first half of 2026, compared with USD82.2 per tonne in the corresponding period of 2025. The ASP for mid-volatile HCC, high-volatile HCC, SSCC, MASHCC, and middlings was USD132.3, USD118.6, USD100.8, USD53.5 and USD27.8 per tonne, respectively, during the reporting period.

COST OF REVENUE

The cost of revenue from the Group's coking (metallurgical) coal operations amounted to USD405.4 million during the first half of 2026, of which USD307.6 million was attributable to the UHG mine and USD97.8 million was attributable to the BN mine.

Mining costs are related to overburden and topsoil removal, as well as ROM coal extraction, including staff costs, maintenance costs, fuel costs, fees paid to blasting and mining contractors, and depreciation and amortisation. Unit mining cost increased to USD20.7 per ROM tonne during the first half of 2026 from USD19.4 per ROM tonne in the corresponding period of 2025, primarily due to higher fuel costs.

Processing costs are associated with CHPP operations, including staff costs, maintenance costs, power generation costs, water extraction costs, consumables, and depreciation and amortisation. Unit processing cost was USD4.9 per ROM tonne in the first half of 2026 (1H2025: USD5.3 per ROM tonne).

Unit transportation cost was USD16.1 per tonne during the first half of 2026, compared with USD15.2 per tonne in the corresponding period of 2025.

The Group's effective royalty rate for coal products was 5.6% during the first half of 2026. Royalties on exported processed coal products are charged by the GoM in the range of 5% to 8%, based on monthly benchmark prices published by the relevant authorities. For coal products sold through the MSE commodity exchange platform, royalties are calculated based on the monthly average trading price published by the MSE.

Table 4. Cost of revenue:

	Six months ended 30 June 2026 (USD'000)	2025 (USD'000)
Cost of revenue	405,405	283,789
Mining cost	195,480	129,311
Variable cost	125,073	76,088
Fixed cost	26,000	18,755
Depreciation and amortisation	44,407	34,468
Processing cost	44,655	35,300
Variable cost	15,871	16,117
Fixed cost	15,862	8,241
Depreciation and amortisation	12,922	10,942
Handling cost	10,614	7,808
Transportation cost	86,101	63,891
Logistic cost	8,071	7,288
Variable cost	3,163	2,493
Fixed cost	4,579	4,480
Depreciation and amortisation	329	315
Site administration cost	20,479	14,747
Transportation and stockpile loss	6,753	1,601
Royalties and fees	33,252	23,843
Royalty	27,727	20,896
Air pollution fee	3,378	1,313
Customs fee	2,147	1,634

Gold and Metals

INDUSTRY OVERVIEW

According to the World Gold Council, gold demand in the first half of 2026 reached 2,522 tonnes, up 2% YoY, with a record value of USD380 billion, while reported mine production for the period was 1,867 tonnes. Gold extended its rally into early 2026, setting successive all-time highs and peaking at approximately USD5,400 per ounce (“oz”) in late January. Sentiment shifted in the second quarter as renewed inflationary pressures in major economies led market participants to reassess the trajectory of monetary policy and price in a rising probability of policy rate hikes.

The average London Bullion Market Association (“LBMA”) gold price for the first half of 2026, at approximately USD4,680 per oz, was over 50% higher than the average price in the corresponding period of 2025. As at the end of the reporting period, the LBMA London Fix Price for gold stood at USD4,016 per oz, approximately 9% lower than at the beginning of the year.

The Bank of Mongolia (“BoM”) and its designated commercial banks purchase gold from producers in Mongolia at prices determined by the LBMA London Fix Price, denominated in Mongolian Togrog (“MNT”), which is subject to the lowest applicable 5.0% royalty charged by the GoM according to the relevant provisions under the Minerals Law of Mongolia.

Silver was exceptionally volatile during the reporting period. The metal price reached an all-time high of above USD121 per oz on 29 January 2026, before falling sharply as inflation concerns and expectations of policy rate hikes pushed real yields higher, disproportionately affecting silver, given its greater sensitivity to investment flows. During the reporting period, the average LBMA London Fix Price for silver stood at USD76 per oz, approximately 123% higher compared to the corresponding period in 2025. According to the Silver Institute’s World Silver Survey 2026, despite rising supply and an overall contraction in demand, silver is set for a sixth year of deficit, with the deficit widening to 46.3 million ounces.

GOLD AND METALS MINING ASSETS

The Group is a 50% equity holder in EM, which owns and operates the BKH gold mine. EM holds Mining License MV-021444 (“**Khundii mining license**”), Mining License MV-021547 (“**AN mining license**”) and Exploration License XV-016057 (“**Ulaan exploration license**”) through its subsidiary. The Khundii and AN mining licenses cover areas of 2,309 hectares and 4,669 hectares, respectively, and are effective for 30 years from 5 August 2019 and 5 March 2020, respectively. The Ulaan exploration license covers an area of 1,780 hectares, west of the Khundii mining license, and is effective for three years from 16 February 2015, extendable three times by three-year periods. The Group has initiated the process to convert the Ulaan exploration license to mining license according to requirements set by relevant laws and regulations.

The Group holds 50.5% equity interest in Universal Copper LLC (“**UCC**”), which develops the White Hill (“**WTH**”) copper deposit and Urkhut (“**URT**”) silver deposit. UCC holds Mining License MV-017089 (“**WTH mining license**”), Mining License MV-017579 (“**URT mining license**”) and Mining License MV-021014 (“**KHT mining license**”). The WTH, URT and KHT mining licenses cover areas of 2,931 hectares, 5,301 hectares and 6,557 hectares, respectively, and are effective for 30 years from 30 July 2012, 17 July 2014 and 30 January 2018, respectively.

All mining licenses are extendable twice by 20-year periods according to relevant provisions stipulated under the Minerals Law. The above-mentioned licenses are located in Bayankhongor aimag (province), Mongolia.

Gold and Metals Resources and Reserves

Resource estimates for gold and silver contained within the Khundii mining license area were prepared for BKH, Dark Horse (“**DKH**”) deposits and AN mining license area in accordance with the JORC Code (2012) standards.

During the first half of 2026, the Group completed an update of the Mineral Resource and Reserve estimates for the deposits within the Khundii mining license area. The updated estimates were prepared by incorporating information obtained from additional exploration and initial mining work of the BKH deposit and reflecting changes in gold metal prices.

The updated resource model has been cut to the surveyed topography of the BKH open-pit as at 30 June 2026 to capture depletion. Overall, the depleted mineral resource estimate for BKH increased as a result of the incorporation of more lower grade material, while retaining its high-grade zones that include 400 Koz gold contained in Measured and Indicated averaging 3.31 g/t at a cut-off grade of 0.6 g/t.

BKH gold deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

The resource model of the DKH deposit was updated with additional exploration and in-fill drilling results. The modeling method and geostatistical estimation methods remained materially consistent with the previous approach. As of 30 June 2026, no mining occurred at the DKH deposit. At the selected cut-off grades, the resource estimate contains additional lower grade material, while retaining its high-grade zones that include 78 Koz gold in all resource categories averaging 3.43 g/t at a cut-off grade of 0.6 g/t.

DKH gold deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

During the reporting period, the Group updated mineral resource estimates for the AN deposit. The updated figures represent estimates as at 30 June 2026, are based on drillings completed up to 1 October 2022 and updated metal prices. Metallurgical recoveries were based on preliminary test work carried out on the AN deposit.

AN deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

Table 5. BKH gold deposit Mineral Resource estimates as at 30 June 2026 (Notes):

Resource Classification	Quantity (Mt)	Gold Grade (Au g/t)	Gold (Koz)	Silver Grade (Ag g/t)	Silver (Koz)
Measured	3.0	2.13	204	1.12	108
Indicated	4.8	1.66	257	1.17	182
M&I	7.8	1.84	461	1.15	290
Inferred	0.4	0.91	12	0.99	12
Total	8.2	1.79	473	1.15	302

- Notes:
- (i) The Statement of Estimates of Mineral Resources has been compiled by Mr. Oyunbat Bat-Ochir who is a full-time employee of SLR Consulting LLC and a Member of the Australian Institute of Geoscientists. Mr. Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
 - (ii) Mineral Resources are estimated using a gold price of USD3,900 per oz and a silver price of USD40 per oz.
 - (iii) Mineral Resource is depleted for the topographic surface dated 30 June 2026.
 - (iv) Mineral Resources are reported at a cut-off grade of 0.27 g/t Au and constrained by a preliminary optimised pit shell with a pit slope angle of 45°.
 - (v) Cut-off grade was generated by assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, a general and administration cost of US\$1.5 per tonne and a processing recovery of 93% for all mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$3,900/oz and a silver price of US\$40/oz, with CIP processing recoveries of 93% for Au and 55% for Ag mineralisation.
 - (vi) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
 - (vii) Numbers may not add due to rounding.
 - (viii) Mineral Resources have been reported on a 100% equity basis.

Table 7. AN deposit Mineral Resource estimates as at 30 June 2026 (Notes):

Cut-off AuEq g/t	Resource Classification	Quantity (Mt)	Grade				Contained Metal					
			Au g/t	Ag g/t	Zn g/t	Pb g/t	AuEq g/t	Au Koz	Ag Koz	Zn Kt	Pb Kt	AuEq Koz
0.18	Indicated	6.8	1.52	1170	0.54	0.46	1.80	336	2,583	37	32	397
	Inferred	8.1	0.95	515	0.43	0.37	1.13	246	1,340	35	30	293
	Total	14.9	1.21	8.16	0.48	0.41	1.44	582	3,923	72	62	690

- Notes:
- (i) JORC Code Standards for Mineral Resource (2012) is used for reporting of Mineral Resource.
 - (ii) The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR Consulting LLC and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
 - (iii) All Mineral Resources figures reported in the table above represent estimates as at 30 June 2026 and are based on drilling completed up to 1st October, 2022. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
 - (iv) Mineral Resources are reported on a dry in-situ basis.
 - (v) Reported at a 0.18 g/t AuEq cut-off above US\$3,900/oz pit shell and 0.55 g/t AuEq below the same US\$3,900/oz pit shell. Cut-off parameters were selected based on an SLR internal cut-off calculator, which indicated that a break-even cut-off grade of 0.18 g/t Au Equivalent above US\$3,900/oz pit and 0.55 g/t AuEq below US\$3,900/oz pit, assuming a gold price of US\$3,900 per ounce, a silver price of US\$40 per ounce, zinc price of US\$3,000 per tonne and lead price of US\$2,000 per tonne, an open pit mining cost of US\$2.75 per tonne and underground mining cost of US\$35 per tonne and a processing cost of US\$16 per tonne milled and processing recovery of 88.8% Au, 80.6% Ag, 80.4% Pb and 69.1% Zn.
 - (vi) Au Equivalent (AuEq) is calculated using metal price of US\$3,900/oz for Au, US\$40/oz for Ag, US\$2,000/tonne for Pb and US\$3,000/tonne for Zn. Adjustment has been made for metallurgical recovery and is based on the company's preliminary testwork results, which used flotation to separate concentrates, including a pyrite concentrate, with credits only for Au and Ag. Based on grades and contained metal for Au, Ag, Pb and Zn, it is assumed that all commodities have reasonable potential to be economically extractable.
 - a. The formula used for Au equivalent grade is: AuEq g/t = Au g/t + Ag g/t*0.0093*Pb%*0.144*Zn%*0.186 with metallurgical recovery of 88.8% Au, 80.6% Ag, 80.4% Pb and 69.1% Zn.
 - b. Au equivalent ounces are calculated by multiplying Mineral Resource tonnage by Au equivalent grade and converting to ounces. The formula used for Au equivalent ounces is: AuEq Oz = Tonnage x AuEq grade (g/t)/31.1035.
 - (vii) Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability.

Table 6. DKH gold deposit Mineral Resource estimates as at 30 June 2026 (Notes):

Type	Indicated Mineral Resource			Inferred Mineral Resource		
	Tonnes (Kt)	Gold Grade (g/t Au)	Gold (Koz)	Tonnes (Kt)	Gold Grade (g/t Au)	Gold (Koz)
Oxide	909	2.12	62	290	0.61	6
Transitional	481	1.07	17	317	0.90	9
Fresh	17	3.28	2	1	7.29	0.2
Total	1,407	1.78	80	608	0.77	15

- Notes:
- (i) The Statement of Estimates of Mineral Resources has been compiled by Mr Oyunbat Bat-Ochir, who is a full-time employee of SLR Consulting LLC and a Member of the Australian Institute of Geoscientists. Mr Bat-Ochir has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
 - (ii) All Mineral Resources figures reported in the table above represent estimates as of 30 June 2026. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
 - (iii) Mineral Resources are reported on a dry in-situ basis.
 - (iv) The Mineral Resource is reported using a 0.28 g/t Au cut-off grade in oxide and transition mineralisation and 0.85 g/t Au cut-off in fresh mineralisation and is constrained above the conceptual optimised pit shell with a pit slope angle of 45°. Cut-off parameters were selected based on an SLR internal cut-off calculator, assuming an open cut mining method with 2.5% ore loss and 10% dilution, a gold price of US\$3,900 per ounce, an open mining cost of US\$2.76 per tonne and a processing cost of US\$25.56 per tonne milled, general and administration cost of US\$1.5 per tone and processing recovery of 90% for oxide, 87% for transitional and 30% for fresh Au mineralisation. The conceptual optimised pit shell was constructed using a gold price of US\$ 3,900/oz and a silver price of US\$ 40/oz with a processing recovery of 55% for Ag mineralisation.
 - (v) Mineral Resources referred to above have not been subject to detailed economic analysis and therefore have not been demonstrated to have actual economic viability.

The Mineral Resource estimate for UN exploration license was commissioned to incorporate data from 56 surface diamond drill holes totalling 15,025 m drilled by EM in 2022. No mining occurred at the license area to date. Mineral Resource has been constrained by topography, overburden surface and the UN exploration license and reported above a gold cut-off grade of 0.15 g/t Au and within a USD3,900 per oz optimised pit constraint for open cut resource and at a cut-off grade of 0.46 g/t Au below the USD3,900 per oz pit shell for the underground resource. Additional mining design and more detailed and accurate cost estimates, mining studies, and test work are required to confirm the viability of extraction.

UN deposit Mineral Resource estimates were prepared under the JORC Code (2012) and updated as at 30 June 2026.

Table 8. UN deposit Mineral Resource, as at 30 June 2026 (Notes):

Resource Classification	Quantity (Mt)	Gold Grade (Au g/t)	Gold (Koz)	Silver Grade (Ag g/t)	Silver (Koz)
Indicated	2.3	1.30	94	0.93	68
Inferred	1.5	1.10	54	0.56	28
Total	3.8	1.22	149	0.78	96

Reserve estimates for gold and silver contained within Khundii mining license area were prepared for BKH and DKH deposits in accordance with the JORC Code (2012) standards. During the reporting period, the JORC Reserve optimisation assumptions were updated to reflect the latest technical studies, operating parameters, and forecasts at the BKH mine. Additionally, metal price assumptions were updated, reflecting current market forecasts.

Table 9. Khundii mining license JORC (2012) compliant Mineral Reserves estimate, as at 1 July 2026 (Notes):

BKH deposit:

Classification	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Koz)	Grade (g/t Ag)	Contained Silver (Koz)
Proven	2.8	2.11	189	1.11	99
Probable	4.9	1.51	239	1.13	179
Total	7.7	1.73	428	1.12	278

- Notes:
- (i) The effective date of the Ore Reserve Estimate is 1 July 2026.
 - (ii) The Ore Reserve Estimate has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The technical information supporting the Ore Reserve Estimate has been compiled by Mr. Buyan-Ulzii Narankhuu, a Member of AusIMM (Member #327826), who is a Competent Person as defined by the JORC Code (2012).
 - (iii) The Ore Reserve Estimate is based on conventional open-pit mining method. Mining assumptions include a mining cost of US\$2.62/t mined, an incremental mining cost of US\$0.028/t-m per bench, ore dilution of 10%, and ore loss of 2.5%.
 - (iv) Pit designs and Ore Reserve estimation are based on geotechnical parameters developed by Fugro. Overall slope angles ranging from 40° to 45° were adopted for the Bayan Khundii deposit based on the March 2021 geotechnical assessment.
 - (v) A metal price of US\$3,900/oz gold and US\$40/oz silver was applied for pit optimisation and reserve determination. Sensitivity analyses were undertaken using a range of gold prices to evaluate project robustness.
 - (vi) Mining, processing, and administrative cost assumptions applied in the Ore Reserve Estimate are based on current operating and technical study parameters, including a mining cost of US\$2.62 per tonne mined, a processing cost of US\$33.57 per tonne of ore processed, an additional processing cost of US\$0.52 per tonne, a general and administration cost of US\$3.67 per tonne processed, and an annual process plant throughput of 650 ktpa.
 - (vii) Metallurgical recovery assumptions are based on test work completed by BCR. Gold recovery for the Bayan Khundii deposit is variable and has been estimated using a recovery formula derived from metallurgical test work. Silver recovery for Bayan Khundii is estimated at 55%.
 - (viii) Royalties and selling costs applied in the Ore Reserve Estimate include a gold royalty of 5% plus an additional 1% royalty payable to Sandstorm Gold Ltd., a silver royalty of 5% plus an additional 3% royalty, and selling costs of US\$9.75/oz payable metal.
 - (ix) Estimate has been rounded to reflect accuracy.

DKH deposit:

Classification	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Koz)	Grade (g/t Ag)	Contained Silver (Koz)
Proven	–	–	–	–	–
Probable	0.8	2.67	67	1.85	46
Total	0.8	2.67	67	1.85	46

- Notes:
- (i) The effective date of the Ore Reserve Estimate is 1 July 2026.
 - (ii) The Ore Reserve Estimate has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The technical information supporting the Ore Reserve Estimate has been compiled by Mr. Buyan-Ulzii Narankhuu, a Member of AusIMM (Member #327826), who is a Competent Person as defined by the JORC Code (2012).
 - (iii) The Ore Reserve Estimate is based on a conventional open-pit mining method. Mining assumptions include a mining cost of US\$2.62/t mined, an incremental mining cost of US\$0.028/t-m per bench, ore dilution of 10%, and ore loss of 2.5%.
 - (iv) Pit designs and Ore Reserve estimation are based on geotechnical parameters developed by Fugro. Overall slope angles ranging from 40° to 45° were adopted for the Dark Horse deposit based on the February 2024 geotechnical assessment.
 - (v) A metal price of US\$3,900/oz gold and US\$40/oz silver was applied for pit optimisation and reserve determination. Sensitivity analyses were undertaken using a range of gold prices to evaluate project robustness.
 - (vi) Mining, processing, and administrative cost assumptions applied in the Ore Reserve Estimate are based on current operating and technical study parameters, including a mining cost of US\$2.62 per tonne mined, a processing cost of US\$33.57 per tonne of ore processed, an additional processing cost of US\$0.52 per tonne, a general and administration cost of US\$3.67 per tonne processed, and an annual process plant throughput of 650 ktpa.
 - (vii) Metallurgical recovery assumptions are based on test work completed by BCR in 2023. Gold recovery for the Dark Horse deposit is estimated at 89%, while silver recovery is estimated at 55%.
 - (viii) Royalties and selling costs applied in the Ore Reserve Estimate include a gold royalty of 5% plus an additional 1% royalty payable to Sandstorm Gold Ltd., a silver royalty of 5% plus an additional 3% royalty, and selling costs of US\$9.75/oz payable metal.
 - (ix) Estimate has been rounded to reflect accuracy.

Resource estimates for copper and other metals contained within WTH mining license area were prepared under the JORC Code (2012).

Table 10. WTH Mineral Resource estimate, as at 31 December 2025 (Notes):

Classification	Ore (Mt)	Metal contained			CuEq (kt)
		Cu (kt)	Au (Koz)	Ag (Koz)	
Measured	2.1	47	19	911	52
Indicated	7.6	98	33	1,511	107
Inferred	2.3	17	4	200	18
Total	12.1	162	56	2,622	177

- Notes:
- The Mineral Resource is reported at a 0.17% CuEq cut-off for oxide mineralisation and 0.2% CuEq cut-off for transition and fresh mineralisation within an optimised pit shell derived using a price of USD9,546 per tonne for Cu and USD2,962 per oz for Au, USD36 per oz for Ag which equates to 110% of the long-term consensus commodity price forecast as of October 2025. Cut-off parameters were selected based on an Glogex internal cut-off calculator, which indicated a break-even cut-off grade of 0.17% CuEq for oxide, 0.2% CuEq for transition/fresh mineralisation, a USD9,546 per tonne Cu, a USD2,962 per troy oz gold and USD36 per troy oz silver price, processing cost of USD8 per tonne milled for oxide, processing cost of USD12 per tonne milled for trans/fresh mineralisation, general and administration cost of USD1.5 per tonne mined, mining dilution of 5% and ore loss of 5% and processing recovery of 60% Cu and 45% Au for oxide, 85.3% Cu, 36.2% Au and 65.9% for Ag recoveries for transition and fresh mineralisation with flotation processing to produce Cu concentrate with Au and Ag credits. No mining cost was used in break-even cut-off grade calculation while mining cost of USD1.8 per tonne was used in pit optimisation.
 - The formula used for Cu equivalent grade are: Oxide CuEq % = Cu % + Au ppm* 0.74827, assuming 60% Cu and 45% Au metallurgical recoveries. Transition/fresh CuEq % = Cu % + Au ppm* 0.42340 + Ag ppm*0.00944 assuming 85.3% Cu, 36.2% Au and 65.9% Ag metallurgical recoveries.
 - Cu equivalent tonnes are calculated by multiplying Mineral Resource tonnage by Cu equivalent grade and converting for tonnes. The formula used for Cu equivalent tonne is: CuEq t = Tonnage x CuEq grade (%) / 100.

Resource estimates for gold and silver contained within URT mining license area were prepared under the JORC Code (2012).

Table 11. URT Mineral Resource estimate, as at 31 December 2025 (Notes):

Classification	Ore (Mt)	Metal contained		
		Ag (Koz)	Au (Koz)	AgEq (Koz)
Indicated	176	13,557	49	16,421
Inferred	29.5	22,785	86	27,751
Total	47.1	36,342	135	44,172

- Notes:
- The Mineral Resource is reported at a 16 g/t AgEq cut-off within the USD50 per oz for Ag and USD3,000 per oz Au pit shell for the resource. Cut-off parameters were selected based on an Glogex internal cut-off calculator, which indicated a break-even cut-off grade of 16 g/t AgEq, an open cut mining method, a USD50 per oz silver price, a USD3,000 per oz gold price, an open cut mining cost of USD1.45 per tonne, a processing cost of USD12 per tonne milled, general and administration cost of USD1 per tonne mined, mining dilution of 2% and ore loss of 2% and processing recovery of 90.7% Ag and 87.8% Au with flotation processing to produce Ag and Au concentrate.
 - The formula used for Au equivalent grade is: AgEq g/t = Ag g/t + Au g/t*58.08 and assumes 90.7% and 87.8% metallurgical recoveries for Ag and Au respectively.
 - Ag equivalent oz are calculated multiplying Mineral Resource tonnage by Ag equivalent grade and converting for oz. The formula used for Ag equivalent oz is: AgEq oz = Tonnage x AgEq grade (g/t) / 31.1035.
 - Mineral Resources have been reported on a 100% equity basis.
 - Mineral Resources referred to above, have not been subject to detailed economic analysis and, therefore, have not been demonstrated to have actual economic viability.

During the second half of 2026, the Group plans to perform works such as geological and hydrogeological exploration drilling and modeling, bulk sampling, metallurgical testing to obtain the required inputs for preparation of the relevant technical reports (including updated JORC Resource and Reserve statements) and complete feasibility study for advancing development within areas covered under minerals exploitation special permits held by UCC.

PRODUCTION AND SALES

The BKH processing plant, which has annual nameplate capacity of 650 Kt ore feed, consists of single stage crushing, two-stage grinding via a semi-autogenous followed by ball grinding circuit, cyanide leaching, adsorption via carbon-in-pulp methods, elution via the pressure zadra, electrowinning and furnace smelting to produce doré (unrefined gold-silver) bars.

Following the commencement of commercial production in September 2025, the management has been focusing on refining its operations at the BKH gold mine with improved ore control and mine-to-mill practices which significantly reduced dilution and ore loss. During the first half of 2026, the Group mined and processed 402.1 Kt and 303.9 Kt of ore, respectively. The average gold grade of processed ore was 2.2 g/t with recovery rate of 96.3%.

The Group sold 20,236 oz of gold and 6,452 oz of silver to the BoM and its authorised commercial banks during the six months ended 30 June 2026, generating total revenue of USD94.7 million. ASP was USD4,654 per oz for gold and USD76 per oz for silver, respectively, during the reporting period.

COST OF REVENUE

Mining costs cover overburden and topsoil removal, and ore extraction, including costs related to staff, equipment, fuel cost, and fees to drilling and blasting contractors. Processing costs include staff cost, ore crushing and grinding cost, power and water costs, reagents and consumables, and maintenance costs.



Table 12. Cost of revenue:

	Six months ended 30 June 2026 (USD'000)
Cost of revenue	45,915
Mining cost	11,874
Variable cost	7,055
Fixed cost	2,652
Depreciation and amortisation	2,167
Processing cost	20,470
Variable cost	14,242
Fixed cost	4,358
Depreciation and amortisation	1,870
Site administration cost	7,670
Royalty and fees (including assay cost and transportation cost)	5,901

Outlook and Business Strategies in 2026

This section in this report includes forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events and involve risks and uncertainties that may cause actual results to differ materially from current expectations. These factors are difficult to predict accurately and may be beyond the Company's control.

The Company remains fully committed to pursuing its key strategies in order to maintain and enhance its competitive position as the largest internationally listed private mining company with operations focused on and located in Mongolia: (i) maintaining an adequate capital structure by implementing prudent financial policy; (ii) scaling up production and sales volumes by maximising assets utilisation; (iii) supporting the initiatives to improve and develop regional infrastructure; (iv) exploring opportunities for expanding and diversifying its business operations through potential strategic cooperation and joint venture arrangements, and also identifying possible investment targets, preferably in Mongolia; and (v) adhering to safety, environment and socially responsible operations.

Forward-looking statements in this report or elsewhere speak only as of the date made. New uncertainties and risks arise from time to time, and it is impossible for the Company to predict these events or how they may affect the Company. Except as required by law, the Company has no duty to, and does not intend to, update or revise the forward-looking statements in this report or elsewhere after the date this report is issued.

Investors should note that undue reliance on or use of the above information may cause investment risks.

Financial Review

Revenue

The Group generated a total revenue of USD586.2 million during the first half of 2026 (1H2025: USD346.6 million), of which USD491.5 million was attributable to its coking (metallurgical) coal operations and USD94.7 million was attributable to its gold and metals operations, representing 84% and 16% of the total revenue, respectively.

Cost of Revenue and Gross Profit

Total cost of revenue amounted to USD451.3 million in the first half of 2026 (1H2025: USD283.8 million), comprising USD405.4 million attributable to the coking (metallurgical) coal operations and USD45.9 million to the gold and metals operations. Please refer to the subsections headed “Coking (Metallurgical) Coal – Cost of Revenue” and “Gold and Metals – Cost of Revenue” above for details.

The Group recorded a gross profit of USD134.9 million for the first half of 2026, compared to USD62.9 million in the first half of 2025.

Selling and Distribution Costs

Selling and distribution costs relate to the Group's coal sales activities in China and mainly comprise agent fees, warehousing and handling costs, and regulatory fees incurred in connection with coal imports into China. Selling and distribution costs were USD17.5 million during the first half of 2026, compared with USD15.8 million in the corresponding period in 2025.

General and Administrative Expenses

General and administrative expenses primarily relate to staff costs, share option expenses, consultancy and professional fees, donations, depreciation and amortisation of office equipment and other expenses. For the six months ended 30 June 2026, the Group's general and administrative expenses were USD15.7 million (1H2025: USD12.7 million). The increase in general and administrative expenses was mainly attributable to higher staff costs due to increase in headcount.

Indebtedness and Net Finance Costs

As at 30 June 2026, the Group's outstanding indebtedness was USD400.0 million, consisting of USD350.0 million Senior Notes due 2030 and USD50.0 million bank borrowing obtained by EM (USD40.0 million outstanding as at the date of this report).

Net finance costs primarily comprised (i) interest expense on the Senior Notes due 2030; (ii) interest expense on the bank borrowing; (iii) foreign exchange gains and losses; and (iv) interest income from cash and cash equivalents. Net finance costs decreased to USD18.9 million during the reporting period from USD27.2 million in the corresponding period of 2025.

A breakdown of net finance costs, borrowings and Senior Notes is set out in notes 5, 16 and 17 to the consolidated financial statements.

The Group's gearing ratio, calculated based on the carrying amount of total bank and other borrowings divided by total assets, was 16% as at 30 June 2026 (31 December 2025: 17%).

Profit For the Period

The Group's profit and the profit attributable to equity shareholders of the Company for the first half of 2026 was USD105.9 million and USD89.0 million, respectively (1H2025: loss and loss attributable to equity shareholders of the Company of USD19.9 million and USD23.3 million, respectively). The increase in profit was primarily attributable to higher washed coking coal sales volume and ASP, profit contribution from the Group's gold and metals segment, and other net income.

Non-IFRS Measure

The Group's adjusted earnings before interest, taxes, depreciation and amortisation adjusted by other non-cash and extraordinary items (“**adjusted EBITDA**”) for the reporting period was USD169.2 million (1H2025: USD94.1 million), with 70% from its coking (metallurgical) coal operations and 30% from its gold and metals operations. Adjusted EBITDA is not a recognised measure of financial performance or liquidity under IFRS. It is used by management to monitor the underlying performance of the business and operations and is presented as an important supplemental measure of performance. The Group believes that this measure is widely used within the industry in which the Group operates to evaluate operating performance and liquidity. As non-IFRS financial measures are not uniformly defined and may not be calculated on a consistent basis across companies, adjusted EBITDA may not be directly comparable with similarly titled measures presented by other companies.

Cash Flow

Table 13. Combined cash flow:

	Six months ended 30 June 2026 (USD'000)	2025 (USD'000)
Net cash generated from operating activities	180,139	93,209
Net cash used in investing activities ¹	(90,749)	(118,341)
Net cash (used in)/generated from financing activities	(23,989)	103,629
Net increase in cash and cash equivalents	65,401	78,497
Cash and cash equivalents at the beginning of the period	223,948	140,521
Effect of foreign exchange rate changes	5,060	694
Cash and cash equivalents at the end of the period	294,409	219,712

Note:
1. USD76.9 million was attributable to the coking (metallurgical) coal segment, comprising (i) USD67.4 million used for deferred stripping activities; (ii) USD13.1 million used for the acquisition of property, plant and equipment; and (iii) USD3.6 million interest receipt. USD13.8 million was attributable to the gold and metals segment, comprising (i) USD5.3 million used for deferred stripping activities; (ii) USD2.8 million used for the acquisition of property, plant and equipment; (iii) USD6.0 million of deferred consideration paid in relation to the acquisition of UCC; and (iv) USD0.3 million interest receipt.

Capital Commitments and Capital Expenditures

As at 30 June 2026 and 31 December 2025, the capital commitments were as follows:

Table 14. Capital commitments:

	As at 30 June 2026 (USD'000)	As at 31 December 2025 (USD'000)
Contracted for	19,879	10,155
Authorised but not contracted for	3,831	22,502
Total	23,710	32,657

Table 15. The Group's historical capital expenditure for the periods indicated:

	Six months ended 30 June	
	2026 (USD'000)	2025 (USD'000)
CHPP	236	708
BKH mine capital development	2,764	28,557
Trucks and equipment	–	17,052
Others	12,857	10,227
Total	15,857	56,543

Foreign Exchange Risk

As at 30 June 2026, the Group's cash and cash equivalents were mainly held in RMB, USD and MNT.

The Group's coal sales are denominated mainly in RMB, while its gold and silver sales to BoM are settled in MNT. All borrowings of the Group are denominated in USD.

Significant Investments Held

As at 30 June 2026, the Company did not hold any significant investments.

Material Acquisitions and Disposal of Subsidiaries, Associated Companies and Joint Ventures

For the six months ended 30 June 2026, the Company did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

Contingent Liabilities

As at 30 June 2026, the Company has contingent liability in respect of the consideration adjustments for the acquisition of BN mine pursuant to the share purchase agreement entered into by and among the Company, its subsidiary Mongolian Coal Corporation Limited, Quincunx (BVI) Ltd. and Kerry Mining (Mongolia) Limited on 31 May 2011 in relation to the acquisition of the entire share capital of Baruun Naran Limited (formerly known as QGX Coal Ltd.), which may arise from the royalty provision. Under the royalty provision, an additional LOM payment of USD6 per tonne may be payable in each semi-annual period, if the specified semi-annual ROM production exceeds 5.0 Mt. The Company considers the probability of royalty provision to be very low.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2026, the Company repurchased a total of 4,524,000 of its own shares on the Stock Exchange at an aggregate cost of approximately HKD41.3 million (equivalent to USD5.3 million), of which 3,126,000 shares were cancelled during the reporting period. The remaining 1,398,000 repurchased shares were subsequently cancelled on 10 August 2026.

Details of the shares of the Company repurchased during the reporting period are set out as follows:

Month/year	Number of Shares repurchased	Purchase price per share		Aggregate purchase price (HKD million)
		Highest (HKD)	Lowest (HKD)	
March 2026	1,890,000	10.60	10.06	19.8
April 2026	1,236,000	10.69	9.50	12.5
June 2026	1,398,000	6.69	5.95	9.0

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities or sold any treasury shares during the reporting period.

The Company intends to continue repurchasing its shares after comprehensively considering its business prospects, operating performance, financial condition, future profitability, and the recent performance of its shares in the secondary market.

Other and Subsequent Events

In July 2026, the Company repurchased a total of 10,950,000 of its own shares on the Stock Exchange at an aggregate cost of approximately HKD73.5 million (equivalent to USD9.4 million). The repurchased shares were subsequently cancelled.

Save as disclosed in this interim report, there have been no events subsequent to 30 June 2026 which require adjustment to or disclosure in this interim report.

Dividend

The Board does not recommend the payment of dividend in respect of the six months ended 30 June 2026 (dividend for the six months ended 30 June 2025: nil).

Review by Audit Committee

The Audit Committee of the Company currently comprises one non-executive Director, Ms. Enkhtuvshin Gombo, and three independent non-executive Directors, namely Mr. Chan Tze Ching, Ignatius, Ms. Delgerjargal Bayanjargal and Dr. Tsend-Ayush Tuvshintur. Mr. Chan Tze Ching, Ignatius is the chairman of the Audit Committee.

The Audit Committee of the Company, together with the management, have reviewed the accounting principles and practice adopted by the Group, and also discussed issues related to financial reporting, including the review of the Group's unaudited interim results for the period under review. The Audit Committee is of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

The interim financial results are unaudited but derived from the interim financial report reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants.

GOVERNANCE



MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors and all the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by relevant employees (the “**Employees Written Guideline**”) who are likely to possess inside information of the Company. No incident of non-compliance with the Employees Written Guideline by the employees was noted by the Company during the reporting period.

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules as its code of corporate governance and has complied with all applicable code provisions as set out in the CG Code during the six months ended 30 June 2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interest and short positions of the Directors and chief executive of the Company in the shares and underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong (the “**SFO**”)) which were required (i) to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register required to be kept; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Table 16. Interests in the Shares:

Name of Director	Nature of interest	Ordinary shares of USD0.10 each	
		Total number of Shares held	Approximate percentage of total issued share capital (Note 2)
Mr. Odjargal Jambaljamts (Note 1)	Beneficial Owner	46,164,754 (L)	4.46%
	Interest of controlled corporation	323,492,188 (L)	31.28%
Mr. Chan Tze Ching, Ignatius	Beneficial Owner	24,000 (L)	0.002%

(L) – Long position

Notes:

- (1) Mr. Odjargal Jambaljamts is directly interested in approximately 58.18% of MCS Mongolia LLC. MCS Mongolia LLC holds the entire interest of MCS Mining Group LLC which in turn holds 323,492,188 shares in the Company.
- (2) As at 30 June 2026, the total number of Shares in issue was 1,034,334,286 Shares.

Table 17. Interests in underlying Shares:

Name of Director	Nature of interest	Ordinary shares of USD0.10 each	
		Total number of underlying Shares held pursuant to Share Options under the Share Option Scheme	Approximate percentage of total issued share capital
Dr. Battsengel Gotov	Beneficial Owner	13,000,000 (L)	1.26%

(L) – Long position

Save as disclosed above, as at 30 June 2026, so far as was known to any Director or chief executive of the Company, neither the Directors nor the chief executive had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register required to be kept; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, so far as was known to the Directors and chief executive of the Company and based on the information publicly available, the following persons (other than a Director or chief executive of the Company whose interests are disclosed above) had interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Table 18. Interests in the Shares and underlying Shares:

Name of substantial shareholder	Nature of interest	Ordinary shares of USD0.10 each	
		Total number of Shares held	Approximate percentage of total issued share capital (Note 3)
MCS Mining Group LLC (Note 1)	Beneficial Owner	323,492,188 (L)	31.28%
MCS Mongolia LLC (Note 1)	Interest of controlled corporation	323,492,188 (L)	31.28%
Ms. Batmunkh Dashdeleg (Note 1)	Interest of spouse	369,656,942 (L)	35.74%
Mr. Od Jambaljamts (Note 1)	Beneficial Owner	26,576,226 (L)	2.57%
	Interest of controlled corporation	323,492,188 (L)	31.28%
Ms. Munkhsuren SurenkhUU (Note 1)	Interest of spouse	350,068,414 (L)	33.84%
Continental General Holdings LLC ("CGH") (Note 2)	Interest of controlled corporation	102,393,278 (L)	9.90%
Continental Insurance Group, Ltd. ("CIG") (Note 2)	Interest of controlled corporation	102,393,278 (L)	9.90%
Continental General Insurance Company ("CGIC") (Note 2)	Beneficial Owner	102,393,278 (L)	9.90%
Percy Rockdale LLC ("Percy") (Note 2)	Beneficial Owner	870,000 (L)	0.08%
Mr. Michael Gorzynski (Note 2)	Interest of controlled corporation	103,263,278 (L)	9.98%

(L) – Long position

Notes:

- (1) MCS Mining Group LLC is wholly-owned by MCS Mongolia LLC. MCS Mongolia LLC is owned as to approximately 68.18% by Mr. Odjargal Jambaljamts, and approximately 30.67% by Mr. Od Jambaljamts. MCS Mining Group LLC holds 323,492,188 shares in the Company. Mr. Odjargal Jambaljamts and Mr. Od Jambaljamts directly hold 46,164,754 shares and 26,576,226 shares, respectively, in the Company. Ms. Batmunkh Dashdeleg is the spouse of Mr. Odjargal Jambaljamts, and Ms. Munkhsuren SurenkhUU is the spouse of Mr. Od Jambaljamts.
- (2) (a) CGIC is a direct wholly-owned subsidiary of CIG which in turn is wholly-owned by CGH. CGH is 100% owned by Mr. Michael Gorzynski. Accordingly, CIG, CGH and Mr. Michael Gorzynski were deemed to be interested in the 102,393,278 shares of the Company that CGIC was interested.
- (b) Percy is 100% owned by Mr. Michael Gorzynski. Accordingly, Mr. Michael Gorzynski was deemed to be interested in the 870,000 shares of the Company that Percy was interested.
- (3) As at 30 June 2026, the total number of Shares in issue was 1,034,334,286 Shares.

Save as disclosed above, as at 30 June 2026, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company.

CHANGES IN DIRECTORS' INFORMATION

Changes of information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2025 Annual Report are set out below:

- Dr. Battengel Gotov has ceased to be the chairman of Mongolian National Mining Association on 6 July 2026.
- Dr. Tsend-Ayush Tuvshintur has been appointed as a member of the board of directors of Bichil Globus Finance NBF.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on the Adoption Date, in which the Board is authorised, at its discretion, to grant to eligible participants Share Options of the Company subject to the terms and conditions stipulated therein. Currently, the Share Option Scheme is the only share option scheme of the Company. The previous share option scheme which was adopted by the Company on 17 September 2010 expired on 12 October 2020. The purpose of the Share Option Scheme is to provide incentive and/or reward to eligible persons under the Share Option Scheme for their contribution to, and continuing efforts to promote the interests of the Group.

The Share Option Scheme shall be valid for a period of 10 years from the Adoption Date and will expire on 15 June 2031. As at 30 June 2026, the remaining life of the Share Option Scheme was approximately 5 years.

On 3 April 2023, the Company granted 10,000,000 and 23,250,000 Share Options to a Director and employees, respectively, at the exercise price of HKD3,260 under the Share Option Scheme. The closing price of the shares of the Company immediately before the grant of Share Options on 3 April 2023 was HKD3,260. There is no performance target attached to the Share Options.

On 23 June 2026, the Company granted 8,000,000 and 33,875,000 Share Options to a Director and employees, respectively, at the exercise price of HKD7,134 under the Share Option Scheme. The closing price of the shares of the Company immediately before the grant of Share Options on 23 June 2026 was HKD6,610. There is no performance target attached to the Share Options.

The total number of Share Options available for grant under the Share Option Scheme was 71,356,178 as at 1 January 2026 and 29,543,678 as at 30 June 2026.

23 June 2026

The number of shares that may be issued in respect of the Share Options granted under the Share Option Scheme during the reporting period divided by the weighted average number of the Shares in issue for the reporting period is 5.52%.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the binomial option pricing model. The variables of the models included expected life of the options, risk-free interest rate, expected volatility and expected dividend of the shares of the Company.

Fair value of share options and assumptions:

3 April 2023

Fair value at measurement date	HKD1.100 – HKD1.680
Share Price	HKD3.260
Exercise price	HKD3.260
Option life	5 years
Risk-free interest rate	3.020%
Expected volatility	60.0%
Expected dividends	–

Fair value at measurement date	HKD3.510 – HKD3.840
Share Price	HKD6.610
Exercise price	HKD7.134
Option life	5 years
Risk-free interest rate	3.097%
Expected volatility	70.75%
Expected dividends	–

The expected volatility is based on the normalised historical share price movement of the Company prior to the option grant date for a period over the option life. Expected dividends are based on management's estimates. The risk-free interest rate is based on the yield of Hong Kong Government Bond corresponding to the options life at the grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There was no market condition associated with the share option grants.

Details of the movements in the number of Share Options granted under the Share Option Scheme during the six months ended 30 June 2026 were as follows:

Table 19. Director:

Name of Director	Date of Grant	Exercise period	Exercise price per share	Number of Share Options					Balance as at 30 June 2026	Weighted average closing price of the shares immediately before the dates of exercise during the six months ended 30 June 2026
				Balance as at 1 January 2026	Granted during the six months ended 30 June 2026	Lapsed during the six months ended 30 June 2026	Cancelled during the six months ended 30 June 2026	Exercised during the six months ended 30 June 2026		
Dr Battsengel Gotov	3 April 2023	Note 1	HKD3.260	5,000,000	-	-	-	-	5,000,000	-
Dr Battsengel Gotov	23 June 2026	Note 2	HKD7.134	-	8,000,000	-	-	-	8,000,000	-

Table 20. Employees of the Group other than Directors:

Date of Grant	Exercise period	Exercise price per share	Balance as at 1 January 2026	Number of Share Options					Weighted average closing price of the shares immediately before the dates of exercise during the six months ended 30 June 2026
				Granted during the six months ended 30 June 2026	Lapsed during the six months ended 30 June 2026	Cancelled during the six months ended 30 June 2026	Exercised during the six months ended 30 June 2026	Balance as at 30 June 2026	
3 April 2023	Note 1	HKD3.260	10,927,500	–	62,500	–	612,500	10,252,500	HKD10.458
23 June 2026	Note 2	HKD7.134	–	33,875,000	–	–	–	33,875,000	–

- Notes:
1.

The Share Options are subject to exercising scale in four tranches of 25% each. The exercise periods are as follows:

(1) first 25% of the Share Options granted – 3 April 2024 to 3 April 2028
(2) second 25% of the Share Options granted – 3 April 2025 to 3 April 2028
(3) third 25% of the Share Options granted – 3 April 2026 to 3 April 2028
(4) fourth 25% of the Share Options granted – 3 April 2027 to 3 April 2028
2.

The Share Options are subject to exercising scale in three tranches. The exercise periods are as follows:

(1) first 25% of the Share Options granted – 24 June 2028 to 16 June 2031
(2) second 25% of the Share Options granted – 24 June 2029 to 16 June 2031
(3) third 50% of the Share Options granted – 24 June 2030 to 16 June 2031
3.

There are no vesting period nor purchase price attached to the Share Options under the Share Option Scheme.
4.

Save for the aforesaid, there are no other outstanding Share Options under the Share Option Scheme during the reporting period; and there are no other grants of Share Options to (i) any Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) any participant with options and awards granted and to be granted in excess of the 1% individual limit (as defined in the Listing Rules); and (iii) any related entity participant or service provider.

TREATMENT OF LAPSE OF THE SHARE OPTIONS

Pursuant to the Share Option Scheme, in the event that an employee ceases to be an employee of the Group by reason other than his death, ill-health or retirement in accordance with his contract of employment, the Option (to the extent not already vested) shall lapse on the date of cessation or termination of employment and not be exercisable unless the Directors otherwise determine.

The Options that have already been vested but not exercised prior to the date of cessation of employment remain exercisable in accordance with the terms of the offer. In the event that an employee ceases to be an employee of the Group by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, the employee or, if appropriate his or her lawful personal representative(s) may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment (or such longer period as the Board may determine), failing which it will lapse.

In the event that an employee's employment is terminated for cause before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of termination of employment and not be exercisable unless the Directors otherwise determine.

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

Hong Kong, 20 August 2026

SUSTAINABILITY



TOWARDS SUSTAINABLE MINING (“TSM”)

MMC is the first international company to publicly submit under the TSM framework — a globally recognized performance system that helps mining companies address critical environmental and social risks. Established in 2004 by the Mining Association of Canada (“MAC”), TSM has since been adopted by national mining associations in 13 countries across six continents, with more than 200 enterprises worldwide actively implementing the program.

The Company conducted its fourth TSM self-assessment in July 2026, with a strong focus on strengthening internal controls and enhancing overall performance. Over the past two years, the Company has advanced the implementation of the ISO 46001 Water Efficiency Management System and strengthened its Tailings Management System to address previously identified areas for improvement. These initiatives have enabled the Company to achieve its internal targets and demonstrate improvements in both TSM scores and overall performance. Moreover, the Indigenous and Community area has demonstrated significant improvement, reflecting the Company's efforts to establish and strengthen engagement mechanisms with Communities of Interest (COI).

Visit the MAC website at <https://mining.ca/companies/mongolian-mining-corporation/> to access the TSM verification summary reports and externally validated scores.

PEOPLE AND SAFETY

As of 30 June 2026, the Group had 3,366 employees (as of 30 June 2025: 3,105 employees), including 2,923 employees in its coking (metallurgical) coal operations and 443 employees in its gold and metals operations. 1,256 employees were recruited locally at both operations, representing 37% of total workforce. Female employees represented 14% of the total workforce and 37% of management positions.

Employees are remunerated with reference to individual performance, experience, qualification and prevailing salary trends in the local market. With reference to the Group's financial and operational performance, employees may also enjoy other benefits such as discretionary bonus and share options pursuant to the Company's Share Option Scheme. On 2 July 2026, the Parliament adopted amendments to the General Law on Social Insurance, which will be effective from 1 January 2027, which cap the earnings base for employer social insurance contributions, reduce industrial accident insurance contribution rates and introduce a voluntary pension savings mechanism.

In water stewardship, the ISO 46001 Water Efficiency Management System is now embedded across the Group's operations, a site-wide water balance traces every cubic metre from source to use, efficiency targets are owned at the operation, and water performance is reviewed by management with the same rigour as production. This step-change lifted three of the four Water Stewardship indicators. Given the water scarcity of the Gobi region, these efficiency gains directly strengthen the operational resilience of the Company.

The Indigenous and Community protocol recorded the strongest advance of any area. A more comprehensive engagement framework, jointly developed collaborative measures with our Communities of Interest, and a renewed grievance mechanism with clear intake, defined timelines and transparent feedback was established.

Looking ahead in 12 months, the Company's TSM focus will turn to the Equitable, Diverse and Inclusive Workplace protocol, assessed for the first time in 2026 at Level B across all three indicators. Building on this baseline, the Company will strengthen leadership accountability for Equitable, Diverse and Inclusive, embed inclusive practice at facility level, and establish the monitoring and reporting needed to demonstrate measurable progress ahead of the next external verification in 2027.

The Group expects the amendments to have a positive impact on employees. The Group remains focused on capacity building across its workforce, with 18,944 training participations recorded within the coking (metallurgical) coal operations across more than 160 programs and 3,242 training participations recorded within the gold and metals operations across 151 training sessions covering safety, professional development and general skills in the first half of 2026. Five rounds of heavy machinery operator training resulted in the certification of 95 individuals.

The Group's coking (metallurgical) coal operations recorded 8.7 million man-hours worked with 3 Lost Time Injuries (“LTIs”) in the first half of 2026, resulting in Lost Time Injury Frequency Rate (“LTIFR”) of 0.34 LTIs per million man-hours worked (1H2025: 0.76), while its gold and metals operations recorded 1.0 million man-hours worked with 1 LTI, representing an LTIFR of 1.00 per million man-hours worked (1H2025: 0.00). No fatalities were recorded during the reporting period at the Group's operations.

TSM SCORECARD

PROTOCOLS	INDICATORS		2024 (external verification)	2026 (self assessment)
SAFE, HEALTHY AND RESPECTFUL WORKPLACE (updated protocol)	Commitments & accountability		AAA	AAA
	Planning & implementation		AAA	AA
	Psychological safety and respectful behaviour		-	AA
	Training, behaviour & culture		AAA	AA
	Monitoring & reporting		AAA	AAA
	Performance		B	B
BIODIVERSITY	Commitments & accountability		AAA	AAA
	Planning & implementation		AAA	AAA
	Reporting		AAA	AAA
WATER STEWARDSHIP	Governance		A	AA
	Management		A	AA
	Watershed-scale planning		AA	AA
	Reporting & performance		A	AA
CLIMATE CHANGE	Corporate Management		A	A
	Facility Management		AA	AA
	Facility performance targets & reporting		C	C
PREVENTING CHILD & FORCED LABOR	Preventing forced labour		Y	Y
	Preventing child labour		Y	Y
INDIGENOUS & COMMUNITY	COI Identification		B	AAA
	Effective COI engagement & dialogue		AA	AAA
	Indigenous		-	-
	Impact & benefit management		B	AA
	COI response mechanism		AA	AAA
TAILINGS MANAGEMENT	Policy & Commitment		C	B
	Accountability & Responsibility		C	B
	System & Emergency Preparedness		C	B
	OMS Manual		C	B
	Management Review		C	B
CRISIS MANAGEMENT & COMMUNICATION PLANNING	Facility	Management & preparedness	Y	Y
		Review	Y	Y
		Training	Y	Y
	Corporate	Management & preparedness	Y	Y
		Review	Y	Y
		Training	N	Y
EQUITABLE, DIVERSE AND INCLUSIVE WORKPLACE (updated protocol)	Leadership and strategy (Corporate)		-	B
	Advancing equity, diversity and inclusion (Facility)		-	B
	Monitoring, performance and reporting (Facility)		-	B

FINANCIAL STATEMENTS





Review Report to the Board of Directors of Mongolian Mining Corporation

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 25 to 39, which comprises the consolidated statement of financial position of Mongolian Mining Corporation (the "**Company**") as of 30 June 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and IAS 34, *Interim financial reporting* as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34.

Our responsibility is to express a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with IAS 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

20 August 2026

Consolidated Statement of Profit or Loss for the six months ended 30 June 2026 – unaudited

	Note	Six months ended 30 June	
		2026 USD'000	2025 USD'000
Revenue	3(a)	586,229	346,648
Cost of revenue	4	(451,320)	(283,789)
Gross profit		134,909	62,859
Other net income/(loss)		46,376	(42)
Selling and distribution costs		(17,510)	(15,832)
General and administrative expenses		(15,730)	(12,664)
Profit from operations		148,045	34,321
Finance income	5(a)	4,192	2,854
Finance costs	5(a)	(23,116)	(30,033)
Net finance costs	5(a)	(18,924)	(27,179)
Loss from repurchase of Senior Notes due 2026		–	(25,049)
Share of profit of associates		1,017	310
Share of loss of joint ventures		–	(4)
Profit/(loss) before taxation		130,138	(17,601)
Income tax	6	(24,213)	(2,333)
Profit/(loss) for the period		105,925	(19,934)
Attributable to:			
Equity shareholders of the Company		88,980	(23,323)
Non-controlling interests		16,945	3,389
Profit/(loss) for the period		105,925	(19,934)
Basic earnings/(loss) per share	7(a)	8.59 cents	(2.24) cents
Diluted earnings/(loss) per share	7(b)	8.51 cents	(2.24) cents

The notes on pages 29 to 39 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 19(a).

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2026 – unaudited

	Note	Six months ended 30 June	
		2026 USD'000	2025 USD'000
Profit/(loss) for the period		105,925	(19,934)
Other comprehensive income for the period (after tax and reclassification adjustments)			
<i>Item that will not be reclassified to profit or loss:</i>			
Surplus on revaluation of property, plant and equipment of an associate		1,659	–
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation		(5,647)	3,719
Total comprehensive income for the period		101,937	(16,215)
Attributable to:			
Equity shareholders of the Company		85,024	(19,664)
Non-controlling interests		16,913	3,449
Total comprehensive income for the period		101,937	(16,215)

The notes on pages 29 to 39 form part of this interim financial report.

Consolidated Statement of Financial Position at 30 June 2026 – unaudited

	Note	At 30 June 2026 USD'000	At 31 December 2025 USD'000		Note	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Non-current assets				Non-current liabilities			
Property, plant and equipment, net	8	1,293,251	1,281,241	Borrowing	16	50,000	–
Construction in progress	9	10,807	13,860	Senior notes	17	344,600	344,012
Other right-of-use assets		46	47	Provisions	18	38,536	37,844
Intangible assets	10	529,142	533,627	Other non-current liabilities		–	6,000
Interest in associates		18,440	15,847	Deferred tax liabilities		152,008	154,248
Other non-current assets	11	13,555	5,527				
Deferred tax assets		25,041	21,384				
				Total non-current liabilities		585,144	542,104
Total non-current assets		1,890,282	1,871,533	NET ASSETS		1,489,632	1,396,824
Current assets				CAPITAL AND RESERVES			
Inventories	12	167,714	156,430	Share capital		103,433	103,685
Trade and other receivables	13	101,297	95,115	Reserves		1,211,617	1,131,035
Cash and cash equivalents	14	294,409	223,948				
				Total equity attributable to equity shareholders of the Company		1,315,050	1,234,720
Total current assets		563,420	475,493	Non-controlling interests		174,582	162,104
Current liabilities				TOTAL EQUITY		1,489,632	1,396,824
Trade and other payables	15	182,889	179,701				
Contract liabilities		185,980	167,359	Approved and authorised for issue by the board of directors on 20 August 2026.			
Borrowing	16	–	50,000				
Lease liabilities		129	69				
Current taxation		9,928	10,969	Odjargal Jambaljamts	Battsengel Gotov		
				Chairman	Chief Executive Officer		
Total current liabilities		378,926	408,098				
Net current assets		184,494	67,395				
Total assets less current liabilities		2,074,776	1,938,928				

The notes on pages 29 to 39 form part of this interim financial report.

The notes on pages 29 to 39 form part of this interim financial report.

Consolidated Statement of Changes in Equity
for the six months ended 30 June 2026 – unaudited

	Attributable to equity shareholders of the Company											Attributable to equity shareholders of the Company									
	Share capital USD'000	Share premium USD'000	Treasury shares USD'000	Other reserve USD'000	Exchange reserve USD'000	Property revaluation reserve USD'000	Retained profits USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000		Share capital USD'000	Share premium USD'000	Treasury shares USD'000	Other reserve USD'000	Exchange reserve USD'000	Property revaluation reserve USD'000	Retained profits USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
At 1 January 2025	104,908	776,079	-	37,950	(521,980)	368,089	480,464	1,245,510	135,409	1,380,919	At 1 July 2025	103,453	766,470	-	38,166	(518,321)	367,935	457,295	1,214,998	158,952	1,373,950
Changes in equity for the six months ended 30 June 2025:											Changes in equity for the six months ended 31 December 2025:										
Loss for the period	-	-	-	-	-	-	(23,323)	(23,323)	3,389	(19,934)	Profit for the period	-	-	-	-	-	-	29,423	29,423	3,021	32,444
Other comprehensive income	-	-	-	-	3,659	-	-	3,659	60	3,719	Other comprehensive income	-	-	-	-	(7,082)	-	-	(7,082)	342	(6,740)
Total comprehensive income	-	-	-	-	3,659	-	(23,323)	(19,664)	3,449	(16,215)	Total comprehensive income	-	-	-	-	(7,082)	-	29,423	22,341	3,363	25,704
Equity-settled share-based transactions	235	1,152	-	216	-	-	-	1,603	-	1,603	Equity-settled share-based transactions	668	3,255	-	(691)	-	-	-	3,232	-	3,232
Repurchase of own shares	-	-	(12,451)	-	-	-	-	(12,451)	-	(12,451)	Repurchase of own shares	-	-	(5,851)	-	-	-	-	(5,851)	-	(5,851)
Cancellation of own shares	(1,630)	(10,761)	12,451	-	-	-	-	-	-	-	Cancellation of own shares	(436)	(5,415)	5,851	-	-	-	-	-	-	-
Reclassification of property revaluation reserve to accumulated losses upon disposal of property	-	-	-	-	-	(154)	154	-	-	-	Reclassification of property revaluation reserve to accumulated losses upon disposal of property	-	-	-	-	-	(27)	27	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	20,094	20,094	Dividends paid	-	-	-	-	-	-	-	-	(211)	(211)
At 30 June 2025	103,453	766,470	-	38,166	(518,321)	367,935	457,295	1,214,998	158,952	1,373,950	At 31 December 2025	103,685	764,310	-	37,475	(525,403)	367,908	486,745	1,234,720	162,104	1,396,824

Consolidated Statement of Changes in Equity for the six months ended 30 June 2026 – unaudited (continued)

	Attributable to equity shareholders of the Company									
	Share capital	Share premium	Treasury shares	Other reserve	Exchange reserve	Property revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 January 2026	103,685	764,310	-	37,475	(525,403)	367,908	486,745	1,234,720	162,104	1,396,824
Changes in equity for the six months ended 30 June 2026:										
Profit for the period	-	-	-	-	-	-	88,980	88,980	16,945	105,925
Other comprehensive income	-	-	-	-	(5,615)	1,659	-	(3,956)	(32)	(3,988)
Total comprehensive income	-	-	-	-	(5,615)	1,659	88,980	85,024	16,913	101,937
Equity-settled share-based transactions	61	312	-	205	-	-	-	578	-	578
Repurchase of own shares (Note 19(c))	-	-	(5,272)	-	-	-	-	(5,272)	-	(5,272)
Cancellation of own shares	(313)	(3,814)	4,127	-	-	-	-	-	-	-
Reclassification of property revaluation reserve to accumulated losses upon disposal of property	-	-	-	-	-	(763)	763	-	-	-
Capital injection by a non-controlling interest	-	-	-	-	-	-	-	-	84	84
Dividends declared	-	-	-	-	-	-	-	-	(4,519)	(4,519)
At 30 June 2026	103,433	760,808	(1,145)	37,680	(531,018)	368,804	576,488	1,315,050	174,582	1,489,632

The notes on pages 29 to 39 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement for the six months ended 30 June 2026 – unaudited

Note	Six months ended 30 June	
	2026 USD'000	2025 USD'000
Operating activities		
Cash generated from operations	187,981	130,475
Income tax paid	(7,842)	(37,266)
Net cash generated from operating activities	180,139	93,209
Investing activities		
Payments for acquisition of property, plant and equipment and construction in progress	(88,539)	(112,409)
Proceeds from disposal of property, plant and equipment	3	-
Acquisition of a subsidiary, net of cash acquired	-	(8,266)
Deferred consideration for the acquisition of a subsidiary	(6,000)	-
Payments for acquisition of intangible asset	(90)	(92)
Interest received	3,877	2,426
Net cash used in investing activities	(90,749)	(118,341)
Financing activities		
Proceeds from borrowing	-	30,000
Capital injection by a non-controlling interest	84	-
Dividends paid to the non-controlling interests	(720)	-
Capital element of lease rentals paid	(316)	(309)
Repurchase of Senior Notes due 2026	-	(240,401)
Proceeds from new issue of Senior Notes due 2030	-	343,526
Interest element of lease rentals paid	(9)	(23)
Net proceeds from shares issued under share option scheme	252	981
Repurchase of own shares	(5,272)	(12,451)
Interest paid	(18,008)	(17,694)
Net cash (used in)/generated from financing activities	(23,989)	103,629
Net increase in cash and cash equivalents	65,401	78,497
Cash and cash equivalents at the beginning of the period	223,948	140,521
Effect of foreign exchange rates changes	5,060	694
Cash and cash equivalents at the end of the period	294,409	219,712

The notes on pages 29 to 39 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 20 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Mongolian Mining Corporation (the "**Company**") together with its subsidiaries (the "**Group**") since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included on page 24.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the mining, processing, transportation and sale of coal products and gold and metal products. Revenue represents the sales value of goods sold to customers exclusive of value added or sales taxes and after deduction of any trade discounts and volume rebates. The amount of each significant category of revenue recognised for the six months ended 30 June 2026 and 2025 are as follows:

	Six months ended 30 June	
	2026 USD'000	2025 USD'000
Revenue from contracts with customers within the scope of IFRS 15		
Coal mining segment		
Washed hard-coking coal	335,097	236,511
Washed mid-ash semi-hard coking coal	129,199	50,348
Washed semi-soft coking coal	18,951	26,685
Middlings	2,829	32,559
Raw thermal coal	5,476	545
Gold and metals mining segment		
Gold products	94,187	–
Silver products	490	–
	<u>586,229</u>	<u>346,648</u>

Revenue generated from the coal mining segment and gold and metals mining segment is from sale of goods, which is recognised when the goods are transferred at point in time.

(b) Segment reporting

The Group manages its businesses by business lines, which are divided into coal products and gold and metal products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has identified and presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Coal mining segment: the mining, processing, transportation and sale of coal products;
- Gold and metals mining segment (Note): the mining, processing, transportation and sale of gold and metal products.

Note: The copper mine is at early exploration and evaluation stage.

(i) Information about segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all tangible, intangible assets and current assets with the exception of head office assets. Segment liabilities include provisions, trade and other payables, lease liabilities, deferred tax liabilities, current taxation, other taxes payables, contract liabilities attributable to the production and sales activities of the individual segments, and senior notes and borrowing managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. Head office expenses are not allocated to individual segments.

Segment profit or loss represent the profit or loss earned by each segment.

The information of the segment results is as follows:

	Six months ended 30 June 2026		
	Coal mining segment USD'000	Gold and metals mining segment USD'000	Total USD'000
Revenue from external customers	491,552	94,677	586,229
Inter-segment revenue	–	–	–
Segment revenue	<u>491,552</u>	<u>94,677</u>	<u>586,229</u>
Profit from operations	103,368	45,916	149,284
Finance income	2,762	254	3,016
Finance costs	(11,456)	(5,217)	(16,673)
Share of profit of associates	866	151	1,017
Income tax expense	<u>(15,148)</u>	<u>(8,907)</u>	<u>(24,055)</u>
Segment profit	<u>80,392</u>	<u>32,197</u>	112,589
Unallocated head office and corporate expenses			<u>(6,664)</u>
Profit for the period			<u>105,925</u>
Other segment information:			
Depreciation and amortisation	64,826	5,660	70,486

	Six months ended 30 June 2025					At 30 June 2026 USD'000	At 31 December 2025 USD'000
	Coal mining segment USD'000	Gold and metals mining segment USD'000	Total USD'000				
Revenue from external customers	346,648	–	346,648	Assets			
Inter-segment revenue	–	–	–				
Segment revenue	<u>346,648</u>	<u>–</u>	<u>346,648</u>	Segment assets		2,108,993	2,023,826
				– Coal mining segment		<u>288,718</u>	<u>254,320</u>
				– Gold and metals mining segment			
Profit/(loss) from operations	38,199	(1,619)	36,580		2,397,711		2,278,146
Finance income	2,363	146	2,509	Unallocated head office assets	<u>55,991</u>		<u>68,880</u>
Finance costs	(20,098)	(5,263)	(25,361)				
Share of profit of associates	310	–	310	Consolidated total assets	<u>2,453,702</u>	<u>2,347,026</u>	
Share of loss of joint ventures	(4)	–	(4)				
Loss from repurchase of Senior Notes due 2026	(20,723)	–	(20,723)				
Income tax expense	<u>(2,410)</u>	<u>77</u>	<u>(2,333)</u>				
Segment loss	<u>(2,363)</u>	<u>(6,659)</u>	<u>(9,022)</u>			At 30 June 2026 USD'000	At 31 December 2025 USD'000
Unallocated head office and corporate expenses			<u>(10,912)</u>	Liabilities			
Loss for the period			<u>(19,934)</u>	Segment liabilities			
				– Coal mining segment		732,285	719,435
				– Gold and metals mining segment		<u>84,130</u>	<u>83,303</u>
Other segment information:							
Depreciation and amortisation	57,996	340	58,336		816,415		802,738
				Unallocated head office liabilities	<u>147,655</u>		<u>147,464</u>
				Consolidated total liabilities	<u>964,070</u>	<u>950,202</u>	

(ii) Reconciliations of segment assets and liabilities:

(iii) Geographical information

The majority of the Group's assets and liabilities are located in Mongolia. The majority of its coal mining segment's customers are located in China. All of its gold and metals mining segment's customers are located in Mongolia.

4 COST OF REVENUE

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
Mining costs	207,354	129,311
Processing costs	65,125	35,300
Transportation costs	86,101	63,891
Others (Note)	92,740	55,287
Cost of revenue	451,320	283,789

Note:
Others mainly include royalty tax on the coal and gold sold, and site administration costs.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

(a) Net finance costs:

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
Interest income	(3,314)	(2,854)
Foreign exchange gain, net	(878)	–
Finance income	(4,192)	(2,854)
Interest on liability component of senior notes (Note 17)	16,006	16,723
Interest on borrowing (Note 16)	3,158	1,762
Less: interest expense capitalised into construction in progress	–	978
Net interest on borrowing	3,158	784
Interest on lease liabilities	9	23
Unwinding interest on accrued reclamation obligations (Note 18)	2,258	2,789
Foreign exchange loss, net	–	8,758
Others	1,685	956
Finance costs	23,116	30,033
Net finance costs	18,924	27,179

(b) Other items:

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
Depreciation and amortisation	70,486	58,336
Loss on disposal of property, plant and equipment	192	808

6INCOME TAX

(a)Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2026 USD'000	2025 USD'000
Current tax	30,198	8,906
Deferred tax	(5,985)	(6,573)
	24,213	2,333

(b)Reconciliation between tax expenses and accounting profit/(loss) at applicable tax rates:

	Six months ended 30 June	
	2026 USD'000	2025 USD'000
Profit/(loss) before taxation	130,138	(17,601)
Notional tax on profit before taxation	26,481	297
Tax effect of non-deductible items (Note (iii))	2,779	3,632
Prior year tax losses utilised	–	(16)
Tax effect of non-taxable items (Note (iii))	(5,227)	(2,278)
Tax losses not recognised	180	698
Actual tax expenses	24,213	2,333

- Notes:
- (i)

Pursuant to the income tax rules and regulations of Mongolia, the subsidiaries of the Group located in Mongolia are liable to Mongolian Corporate Income Tax at a rate of 10% for the first MNT6 billion taxable income, and 25% for the remaining taxable income for the six months ended 30 June 2026 and 2025. According to the Corporate Income Tax Law of China, the Company's subsidiaries in China are subject to statutory income tax rate of 25%.
- (ii)

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands. The Group is not subject to Hong Kong, Luxembourg and Singapore profits tax as it has no assessable income arising in or derived from Hong Kong, Luxembourg and Singapore during the six months ended 30 June 2026 and 2025.
- (iii)

Non-deductible and non-taxable items mainly include net unrealised exchange gain or loss, other non-deductible expenses and non-taxable income pursuant to the income tax rules and regulations of Mongolia and other related tax source regions during the six months ended 30 June 2026 and 2025.

7EARNINGS/(LOSS) PER SHARE

(a)Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of USD88,980,000 (loss attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2025: USD23,323,000) and the weighted average of 1,035,377,328 ordinary shares (six months ended 30 June 2025: weighted average of 1,041,472,786 ordinary shares) in issue during the interim period.

(b)Diluted earnings/(loss) per share

For the six months ended 30 June 2026, the effect of the outstanding share options was dilutive and therefore included in the calculation of diluted earnings per share. The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average of 1,045,811,902 ordinary shares after adjusting the effects of the outstanding share options (see Note 19(b)).

Weighted average number of ordinary shares (diluted) is calculated as follows:

	Six months ended 30 June	
	2026 USD'000	2025 USD'000
Weighted average number of ordinary shares at 30 June	1,035,377,328	1,041,472,786
Dilution effect of the Company's share option scheme (Note 19(b))	10,434,574	–
Weighted average number of ordinary shares (diluted) at 30 June	1,045,811,902	1,041,472,786

For the six months ended 30 June 2025, basic and diluted loss per share were the same. The outstanding share options were anti-dilutive and therefore not included in calculating diluted loss per share for the six months ended 30 June 2025 (see Note 19(b)).

8PROPERTY, PLANT AND EQUIPMENT, NET

(a)Right-of-use assets

During the six months ended 30 June 2026, the Group entered into lease agreements for office premises and recognised additions to the right-of-use assets amounting to USD377,000 (six months ended 30 June 2025: USD89,000).

(b)Acquisitions and disposals of owned assets

Mining properties of the Group as at 30 June 2026 include stripping activity assets with carrying amount of USD648,184,000 (as at 31 December 2025: USD604,847,000).

During the six months ended 30 June 2026, the additions of property, plant and equipment of the Group, representing mainly mining properties and machinery and equipment, amounted to USD81,869,000 (six months ended 30 June 2025: USD87,509,000). Items of property, plant and equipment with a net book value of USD195,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: USD808,000).

9CONSTRUCTION IN PROGRESS

The construction in progress is mainly related to buildings and plants.

10INTANGIBLE ASSETS

Intangible assets mainly represent the mining rights.

11OTHER NON-CURRENT ASSETS

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Prepayments in connection with construction work, equipment purchases and others	12,941	4,913
Other financial asset (Note)	614	614
	13,555	5,527

Note:
The Group has an investment of 1.65% equity interest in International Medical Center LLC.

12INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Coal	124,579	117,826
Ore stockpiles	10,967	8,486
Gold-in-circuit	2,326	2,003
Materials and supplies	40,279	38,552
	178,151	166,867
Less: Provision on coal inventories	(10,437)	(10,437)
	167,714	156,430

13TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Within 90 days	28,670	32,478
91 to 180 days	5,524	1,878
181 to 270 days	792	–
271 to 365 days	–	1,299
Over 365 days	297	577
Trade receivables net of allowance for credit losses	35,283	36,232
Other debtors	1,180	1,976
Financial assets measured at amortised cost	36,463	38,208
Prepayments and deposits	16,047	11,902
Value added tax ("VAT") and other tax receivables (Note)	48,787	45,005
	101,297	95,115

Note:
VAT and other tax receivables include amounts that have been accumulated to date in certain subsidiaries and were due from Mongolian Tax Authority ("MTA"). According to the prevailing tax rules and regulations in Mongolia, a taxpayer may offset future taxes and royalties payable to MTA against VAT receivable from MTA. The Group verifies the collectability of such funds with MTA on a regular basis, and based on currently available information, the Group anticipates full recoverability.

14CASH AND CASH EQUIVALENTS

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Cash on hand	2	2
Cash at banks	294,407	223,946
Cash and cash equivalents in the consolidated statement of financial position	294,409	223,948

15TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Within 90 days	117,476	102,040
91 to 180 days	–	13
181 to 365 days	10	5
Over 365 days	37	133
Total trade creditors	117,523	102,191
Payables for purchase of equipment	2,788	3,663
Interest payables	7,651	7,731
Other taxes payables	11,039	32,483
Amounts due to related parties	15,614	10,317
Payables for acquisition of a subsidiary	5,784	6,000
Others	22,490	17,316
	182,889	179,701

16BORROWING

	At 30 June 2026		At 31 December 2025	
	Effective interest rate	USD'000	Effective interest rate	USD'000
Current portion of borrowing	–	–	13.30%	50,000
Long-term borrowing	11.80%	50,000	–	–

On 4 December 2024, Erdene Mongol LLC (“EM”) entered into a USD50,000,000 loan agreement with a local bank in Mongolia, bearing interest at a fixed rate of 13.3% per annum and secured by EMs processing plant. Pursuant to an amendment to the loan agreement dated 23 April 2026, the interest rate was reduced to 11.8% per annum and the maturity date was extended to 17 December 2027.

17SENIOR NOTES

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Senior Notes due 2030	344,600	344,012

On 3 April 2025, the Group issued senior notes due 2030 (“Senior Notes due 2030”) with a principal amount of USD350,000,000. The Senior Notes due 2030 is listed on the SGX-ST, bears interest at 8.44% per annum fixed rate, payable semi-annually, and is due on 3 April 2030.

The Senior Notes due 2030 is accounted for as a hybrid financial instrument containing a derivative component and a liability component. The derivative component of early redemption option was initially recognised at its fair value of nil. The fair value of the derivative component of early redemption option as at 30 June 2026 was nil. The liability component was initially recognised at its fair value, taking into account attributable issuance discount, and will be accounted on amortised cost subsequently.

Fair value of the derivative component was estimated based on the Binomial model.

18PROVISIONS

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Accrued reclamation obligations	38,536	37,844

The accrual for reclamation costs has been determined based on management's best estimates. The estimate of the associated costs may be subject to change in the near term when the reclamation on the land from current mining activities becomes apparent in future periods. At the end of the reporting period, the Group reassesses the estimated costs and adjusts the accrued reclamation obligations, where necessary. The Group's management believes that the accrued reclamation obligations as at 30 June 2026 are adequate and appropriate. The accrual is based on estimates and therefore, the ultimate liability may exceed or be less than such estimates. The movement of the accrued reclamation cost is as follows:

	2026 USD'000	2025 USD'000
At 1 January	37,844	32,030
Reassessment of estimated costs	(1,566)	811
Accretion expense (Note 5(a))	2,258	5,003
At 30 June/31 December	38,536	37,844

19CAPITAL, RESERVES AND DIVIDENDS

(a)Dividends

The board of directors of the Company does not recommend declaration and payment of interim dividend in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

(b) Equity settled share-based transactions

On 3 April 2023, 33,250,000 share options were granted to a director and employees of the Company under the share option scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest on 3 April 2024, 3 April 2025, 3 April 2026 and 3 April 2027 separately of 25% each, and then be exercisable until 3 April 2028. The exercise price is HKD3.26, being the closing price as stated in the daily quotations sheet issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of grant.

On 23 June 2026, 41,875,000 share options were granted to a director and employees of the Company under the share option scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest 25% each time on 24 June 2028 and 24 June 2029, and 50% on 24 June 2030, and then be exercisable until 16 June 2031. The exercise price is HKD7.134, being the closing price as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant.

612,500 share options were exercised during the six months ended 30 June 2026 (six months ended 30 June 2025: 2,351,000).

(c) Purchase of own shares

For the six months ended 30 June 2026, the Company repurchased its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share HKD	Lowest price paid per share HKD	Aggregate price paid USD'000
March 2026	1,890,000	10.6000	10.0600	2,525
April 2026	1,236,000	10.6900	9.5000	1,602
June 2026	1,398,000	6.6900	5.9500	1,145
				5,272

20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations:

Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations:

Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations:

Fair value measured using significant unobservable inputs

The Group has a team headed by the finance manager performing valuations for the financial instruments, including the redemption option embedded in the senior notes. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer is held twice a year, to coincide with the reporting dates.

The fair value of redemption option embedded in Senior Notes due 2030 was measured at Level 3 and were nil as at 30 June 2026 and 31 December 2025.

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2025: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Value of unobservable inputs
Redemption option embedded in Senior Notes due 2030	Binomial model	Expected volatility	8.30% (2025: 8.10%)

The fair value of redemption option embedded in Senior Notes due 2030 is determined using binomial model and the significant unobservable input used in the fair value measurement is expected volatility. The fair value measurement is positively correlated to the expected volatility. As at 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in the expected volatility by 1% would have decreased/increased the Group's profit by nil.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2026 and 31 December 2025 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

	At 30 June 2026		At 31 December 2025	
	Carrying amount USD'000	Fair value USD'000	Carrying amount USD'000	Fair value USD'000
Liability component of Senior Notes due 2030	344,600	353,466	344,012	353,558

21 MATERIAL RELATED PARTY TRANSACTIONS

Particulars of significant transactions between the Group and related parties during the six months ended 30 June 2026 and 2025 are ancillary services and sales of goods. Ancillary services received by the Group represent expenditures for support services such as agent fees, power and heat generation, vehicle inspection fees and cleaning and canteen expenses. The amount of ancillary service and related charges incurred during the six months ended 30 June 2026 was USD34,378,000 (six months ended 30 June 2025: USD36,632,000). Sales of goods represent the coal sales. The amount of goods sold to related parties during the six months ended 30 June 2026 was USD71,565,000 (six months ended 30 June 2025: USD31,836,000).

22 COMMITMENTS AND CONTINGENCIES

(a) Capital commitments outstanding not provided for in the interim financial report

Capital commitments outstanding at respective reporting dates not provided for in the interim financial report were as follows:

	At 30 June 2026 USD'000	At 31 December 2025 USD'000
Contracted for	19,879	10,155
Authorised but not contracted for	3,831	22,502
	23,710	32,657

(b) Environmental contingencies

Historically, the Group has not incurred any significant expenditure for environmental remediation. Further, except for the accrued reclamation obligations as disclosed in Note 18 and amounts incurred pursuant to the environment compliance protection and precautionary measures in Mongolia, the Group has not incurred any other significant expenditure for environmental remediation, is currently not involved in any other environmental remediation, and has not accrued any other amounts for environmental remediation relating to its operations. Under existing legislation, the Directors believe that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. The outcome of environmental liabilities under future environmental legislations cannot be estimated reasonably at present and which could be material.

23 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of IFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of IFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of IFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. Based on the work performed to date, the Group's assessment on the expected impact of the initial application of IFRS 18 is summarised below. The assessment remains subject to change as the Group continues its implementation work.

(a) *Structure of the statement of profit or loss*

IFRS 18 requires entities to classify income and expenses into specified categories in the statement of profit or loss, including operating, investing, and financing categories. It also requires entities to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and income taxes". The operating profit subtotal is expected to differ from the current profit from operations subtotal presented by the Group. Based on the work performed to date, the Group also expects the following changes to the consolidated statement of profit or loss:

- Classification of income and expenses depends on the Group's main business activities.
- Interest income and the share of profits less losses of associates and joint venture are expected to be classified in the investing category. The income and expenses classified in the investing category, together with the subtotal "operating profit", will form the new subtotal "profit or loss before financing and income taxes";
- The Group is assessing the classification of income and expenses as currently included in the finance cost line item and expects that this line item will be disaggregated into "income and expenses on liabilities arising solely from raising of finance" and "interest expenses on other liabilities" in the financing category;
- The Group is required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort; and
- The Group currently presents operating expenses by function. The Group is assessing whether its current presentation, or a mixed presentation by nature and function, will provide the most useful structured summary of its operating expenses under IFRS 18. If the Group continues to present one or more operating expense line item by function, information about five specific expenses by nature will be provided in a single note to the financial statements.

(b) *Management-defined performance measures ("MPM")*

MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. Based on the Group's current assessment, "adjusted EBITDA", which represents earnings before interest, taxes, depreciation and amortisation, adjusted for other non-cash and extraordinary items, is identified as a MPM since it is currently being reported by the Group in its management commentary, press releases, and investor presentations. The Group is also developing a process to identify its public communications and assess whether other measures reported in those communications meet the definition of an MPM.

The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

(c) *Principles of aggregation and disaggregation*

IFRS 18 provides enhanced principles on how to group information in the financial statements, including the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group has been consistently applied the principles of aggregating and disaggregating the items on the basis of similar and dissimilar characteristics. The Group is also assessing line items currently labelled as "other" across the primary financial statements and the notes and expects to use more informative labels where material information would otherwise be obscured.

IFRS 18 also introduces consequential amendments to IAS 7, *Statement of cash flows*. The Group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the cash flow statement when presenting operating cash flows under the indirect method and the classification of interest cash flows.

The actual impact of applying IFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.

Glossary

"Adoption date"	16 June 2021, the date the Share Option Scheme became unconditional and effective
"AN"	Altan Nar
"ASP"	Average selling price
"Au"	Gold
"AuEq2"	Gold Equivalent
"AusIMM"	The Australasian Institute of Mining and Metallurgy
"bcm"	Bank cubic metres
"BHWE"	Base Horizon of Weathering Elevation
"BKH"	Bayan Khundii
"BN"	Baruun Naran
"BNS"	Baruun Naran S.à.r.l
"BN deposit"	BN coal deposit located in the Tavan Tolgoi formation
"BN mine"	The area of the BN deposit that can be mined by open-pit mining methods
"Board"	The Board of Directors of the Company
"CBM"	coal-bed methane
"CBMG"	carbonate-base metal gold
"CG code"	The Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules
"CGH"	Continental General Holdings LLC
"CGIC"	Continental General Insurance Company

"China" or "PRC"	The People's Republic of China
"CHPP"	Coal handling and preparation plant
"CIG"	Continental Insurance Group, Ltd.
"coke"	Bituminous coal from which the volatile components have been removed
"coking coal"	Coal used in the process of manufacturing steel. It is also known as metallurgical coal
"Company", "our Company", "we", "us", "our", "Mongolian Mining Corporation" or "MMC"	Mongolian Mining Corporation, a company incorporated in the Cayman Islands with limited liability on 18 May 2010, the shares of which are listed on the Main Board of the Stock Exchange
"DAP"	Delivery-at-Place
"DKH"	Dark Horse
"Director(s)"	Director(s) of the Company
"EBITDA"	Earnings before interest, tax, depreciation and amortisation
"EXW"	Ex-works
"FCA"	Free-carrier
"Fexos"	Fexos Limited
"FOT"	Free-on-Transport
"Ganqimaodu" or "GM"	The China side of the China-Mongolia border crossing
"Gashuunsukhait" or "GS"	The Mongolia side of the China-Mongolia border crossing
"GoM"	Government of Mongolia
"Group" or "our Group"	The Company together with its subsidiaries
"GST"	GS Terminal
"HCC"	Hard coking coal
"HKD"	Hong Kong Dollar

"HR"	Human resources
"HSE"	Health, Safety and Environment
"IASs"	International Accounting Standards
"IASB"	International Accounting Standards Board
"IFRS"	International Financial Reporting Standards
"JORC"	Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
"KGL"	Kerry Group Limited
"KHL"	Kerry Holdings Limited
"km"	Kilometres
"KMM"	Kerry Mining (Mongolia) Limited
"KMUHG"	Kerry Mining (UHG) Limited
"Koz"	Thousand Ounces
"Kt"	Thousand tonnes
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LOM"	Life-of-Mine
"LTIFR"	Lost Time Injury Frequency Rate
"LTIs"	Lost Time Injuries
"middlings"	By-product of washed coking coal production

"mineral resource"	A concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, quality, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories
"mining rights"	The rights to mine mineral resources and obtain mineral products in areas where mining activities are licensed
"MNT"	Togrog or tugrik, the lawful currency of Mongolia
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MSE"	Mongolian Stock Exchange
"Mt"	Million tonnes
"open-pit"	The main type of mine designed to extract minerals close to the surface; also known as "open cut"
"ore"	A naturally occurring solid material from which a metal or valuable mineral can be extracted profitably
"Parliament"	Parliament of Mongolia
"Percy"	Percy Rockdale LLC
"probable reserve"	The economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified

"raw coal"	Generally means coal that has not been washed and processed
"RMB"	Renminbi
"ROM"	Run-of-mine, the as-mined material during room and pillar mining operations as it leaves the mine site (mined glauberite ore and out-of-seam dilution material)
"seam"	A stratum or bed of coal or other mineral; generally applied to large deposits of coal
"SEHK" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"share(s)"	Ordinary share(s) of USD0.10 each in the share capital of the Company
"Share Options" or "Options"	The share options which were granted under the Share Option Scheme to eligible participants to subscribe for shares of the Company
"Share Option Scheme"	A share option scheme which was adopted by the Company on 16 June 2021
"Share Purchase Agreement"	Share purchase agreement entered by the Company and its subsidiary Mongolian Coal Corporation Limited with Quincunx (BVI) Ltd and Kerry Mining (Mongolia) Limited in relation to the acquisition of the entire issued share capital of QGX Coal Ltd
"soum"	The second level of Mongolian administrative subdivisions (essentially equivalent to a sub-province)
"SSCC"	Semi-soft coking coal
"strip ratio" or "stripping ratio"	The ratio of the amount of waste removed (in bcm) to the amount of coal or minerals (in tonnes) extracted by open-pit mining methods

"Tavan Tolgoi"	The coal formation located in South Gobi, Mongolia which includes our UHG and BN deposits
"thermal coal"	Also referred to as "steam coal" or "steaming coal", thermal coal is used in combustion processes by power producers and industrial users to produce steam for power and heat. Thermal coal tends not to have the carbonisation properties possessed by coking coals and generally has lower heat value and higher volatility than coking coal
"THG"	Tsaikhar Khudag
"TKH"	Tsagaan Khad
"tonne"	Metric tonne, being equal to 1,000 kilograms
"TRIFR"	Total Recordable Injury Frequency Rate
"Tsogttsetsii" or "Tsogttsetsii soum"	Tsogttsetsii soum is the location where Tavan Tolgoi sits
"UHG"	Ukhaa Khudag
"UHG deposit"	Ukhaa Khudag deposit located in the Tavan Tolgoi coalfield which includes both aboveground (<300m) and underground (>300m) deposits
"UHG mine"	The aboveground (<300m) portion of our UHG deposit
"USD"	United States Dollar
"VAT"	Value added tax
"washed coal"	Coals that have been washed and processed to reduce its ash content
"WGC"	World Gold Council