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ENERGY RESOURCES

(Incorporated in Mongolia with Limited Liability)

ANNOUNCEMENT

ENERGY RESOURCES GROUP EXCESS CASH CALCULATIONS

This is an announcement (the “**Announcement**”) made by Energy Resources LLC (“**ER**”), an indirectly wholly-owned subsidiary of Mongolian Mining Corporation (the “**Parent Company**”).

Pursuant to Section 6.04(b)(i) of the indenture, entered into, amongst others, by the Parent Company, ER, and the Bank of New York Mellon, relating to the US\$412,465,892 guaranteed senior notes due 2022, dated 4 May 2017 (the “**Indenture**”), and matured on 30 September 2022, calculation of ER Excess Cash for the three months period ended on the Maturity date (the “**Maturity Date ER Excess Cash Calculations**”) is to be made publicly available. Unless otherwise defined herein, capitalized terms in this Announcement will have the same meanings as those defined in the Indenture.

ER hereby provides the Maturity Date ER Excess Cash Calculations based on the respective financial statements of the ER Group which consists of ER and Energy Resources Corporation LLC and their respective subsidiaries. The Maturity Date ER Excess Cash Calculations disclosed in this Announcement covers the period from 1 July 2022 to 30 September 2022.

Further, pursuant to the Sections 6.03 and 6.04 of the Indenture, no cash shall be deposited to the debt service reserve account and no cash sweep premium is payable.

ER Group's Excess Cash Calculations
for the period from 1 July 2022 to 30 September 2022

USD'000
(to the nearest '000)

Cash flows from operating activities

Cash generated from operating activities	125,516
Cash used in operating activities	(94,589)
Net cash generated from operations	30,927

Cash flows from investing activities

Payments for acquisition of property, plant and equipment and construction in progress/Capex Costs/	(1,099)
Payments for capitalized pre-stripping costs	(13,992)
Net cash used in investing activities	(15,091)

Cash flows from financing activities

Principal payment of Senior Notes due 2022	(14,912)
Interest paid	(593)
Group Costs	(68)
Net cash used in financing activities	(15,573)

Net increase in cash and cash equivalents **263**

ER Group's consolidated cash balance as at 30 June 2022 **24,193**

ER Group's consolidated cash balance as at 30 September 2022 **24,456**

USD'000
(to the nearest '000)

ER Group's Cash Threshold Calculation

Cash required to be deposited into DSRA	–
Cash used in excess of permitted cash limit	–
Cash Threshold	25,000



Certified by Ulemj Baskhuu, Chief Financial Officer on 17 October 2022

For and on behalf of
Energy Resources LLC
Battsengel Gotov
Chief Executive Officer

Ulaanbaatar, 17 October 2022