ASPIRE

Ovoot Bond Launched on Mongolian OTC Market

US$10 million raised under an initial US$60 million program to support OCCP development

Aspire Mining Limited (ASX: **AKM**) (**Aspire** or the **Company**) is pleased to advise that its wholly owned Mongolian subsidiary, Khurgatai Khairkhan LLC (**KK**), has successfully launched the "Ovoot Bond" on Mongolia's regulated over-the-counter (**OTC**) securities market following completion of the required securities-registration and foreign-currency approval processes.

As at 09 September 2026, KK had raised US$9.56 million under the current US$60.0 million program. Placement activities are continuing. Proceeds are to be applied toward development of the Ovoot Coking Coal Project (**OCCP** or the **Project**).

The launch forms part of the staged Project financing strategy described in Aspire's separately released announcement "Ovoot Reserve Update Supports Strong Project Economics" dated 11 September 2026.

An English-language translation of the Mongolian Securities Prospectus for the Ovoot Bond is attached as Appendix 1.

Company Highlights

- Aspire holds a 100% interest in the OCCP, which hosts a 219.4 Mt JORC Coal Resource and a 130.1 Mt JORC Coal Reserve, including a 97.9 Mt Marketable Coal Reserve which is forecast to support a **post-tax NPV$_{10}$ of approximately US$1.48 billion** and a **post-tax real IRR of approximately 60%**[1].
- Ovoot is planned to produce a premium washed 'fat' coking coal product for supply to customers in China, supported by independent coal-quality and market studies and targeting a 9.0% ash (ad) product.
- The Project has advanced from study into implementation, including execution of a US$69.9 million EPC Contract with CCTEG-IEC for the CHPP and ERT coal handling infrastructure.
- Aspire is implementing a staged, capital-efficient development and financing strategy, including initial rental/contracting of mining and haulage equipment, deferral of non-critical infrastructure and progressive funding through the Mongolian OTC bond market.

Ovoot Bond Highlights

- **MASD registration:** MASD's Registration Committee has approved registration of the Ovoot Bond program for an aggregate principal amount of up to US$60.0 million.
- **USD permission:** the Bank of Mongolia granted permission for the US$60.0 million issue and related subscription and coupon payments to be transacted in US dollars.
- **Guarantees:** obligations under the current Ovoot Bond program are supported by separate guarantees provided by Mr Tserenpuntsag Tsedendamba and Gemnet LLC. The guarantees cover principal and interest obligations and certain ancillary amounts and are described further below and in Appendix 1.
- **US$9.56** million raised: five tranches had been issued as at 09 September 2026, with fixed coupons ranging from 11.0% to 13.0% p.a. and terms of 12 to 36 months.
- **Professional-investor market:** the Ovoot Bond is offered in Mongolia through the regulated OTC/private-placement market and is not a retail public offer.
- **Potential further program:** subject to current placement performance, market conditions, Project funding requirements and displacement of bond financing by advance coal sales or offtake prepayments, KK is considering a further program of up to US$60.0 million, subject to all required approvals.

[1] ASX Announcement 11 Sep 2026, *Ovoot Coal Reserve Update Supports Strong Project Economics*

Current Bond Program

Term	Current approved program
Program amount / structure	Up to US$60.0 million, issued in one or more tranches.
Denomination	US$1,000 per bond; up to 60,000 bonds.
Coupon / term	11%–13% p.a. with program term up to 60 months and each tranche priced and tenored separately.
Payments	Quarterly coupons, principal repaid at maturity of each tranche.
Underwriter	Tenger Capital Securities LLC.
Credit support	Separate guarantees from Mr Tserenpuntsag Tsedendamba and Gemnet LLC, covering principal, interest and certain ancillary amounts. Further details below.
Investor market	Mongolian OTC market / professional investors.
Use of proceeds	Development and construction of the OCCP.

Guarantees

The obligations of KK under the current US$60.0 million Ovoot Bond program are supported by separate Guarantee Agreements provided by Mr Tserenpuntsag Tsedendamba and Gemnet LLC. Mr Tserenpuntsag is Aspire's largest shareholder, holding approximately 52.47% of Aspire's issued ordinary shares, and is the founder of Gemnet LLC. Further information concerning the guarantors is contained in the Securities Prospectus attached as Appendix 1.

Under the Guarantee Agreements, if KK fails to satisfy its obligations to pay principal or interest under the Ovoot Bond, or other specified circumstances giving rise to enforcement occur, the relevant guarantor may be required, following notice under the applicable Guarantee Agreement, to satisfy the secured obligations on behalf of KK. The guaranteed obligations include principal and interest payable under the bonds and may also include certain penalties, losses, enforcement costs and other expenses. The Guarantee Agreements remain in effect until the obligations secured by them have been discharged and do not permit the guarantors to unilaterally withdraw from their obligations.

If a guarantor makes a payment or incurs certain costs in satisfying obligations on behalf of KK, the Guarantee Agreements provide the guarantor with rights of reimbursement and recovery against KK. Accordingly, the guarantee arrangements may give rise to contingent reimbursement obligations of KK to the guarantors if a guarantee is called.

The guarantees constitute contractual credit support and do not remove or replace KK's primary obligation to pay all amounts owing under the Ovoot Bond. The ability of a guarantor to satisfy any claim will depend upon its financial position, liquidity and recoverable assets at the relevant time, and the guarantees should not be regarded as an assurance that principal or interest will necessarily be paid in full or on time.

No separate guarantee fee is payable by Aspire or KK to either guarantor for providing the guarantees.

Mongolia’s OTC Bond Market and Regulatory Oversight

Mongolia’s OTC market is a regulated private-placement market for debt securities operating alongside the public exchange market. It is principally designed for professional investors and securities sold within a closed-circle framework. Although described as “OTC”, it operates through centralised securities-registration, electronic trading and settlement infrastructure rather than as an unregulated bilateral dealer market.

The Securities Market Law of Mongolia and associated legislation establish the legal framework. The Financial Regulatory Commission of Mongolia (**FRC**) licenses and supervises securities-market participants and issues the principal OTC regulations. The Mongolian Association of Securities Dealers (**MASD**), as the recognised professional/self-regulatory organisation operating the OTC market, administers issuer registration, trading and disclosure rules, market surveillance and the M-OTC trading system. Securities ownership and settlement are recorded through authorised central securities/depository infrastructure, including the Mongolian Central Securities Depository.

End-to-End OTC Bond Issuance Process

Step	Process	Application to the Ovoot Bond
1	Corporate approval / underwriter	Issuer and parent approvals obtained; Tenger Capital Securities LLC appointed as underwriter.
2	Structuring / documentation	Terms, guarantees and Securities Prospectus prepared; due diligence and placement documentation completed.
3	MASD registration	MASD Registration Committee approved registration of up to US$60.0 million on 27 July 2026.
4	USD permission	Bank of Mongolia permission dated 06 August 2026 permits the issue and related payments in US dollars.
5	Central registration / placement	Securities are recorded through the central securities infrastructure; tranches are placed with eligible investors and settled to securities accounts.
6	Secondary trading / oversight	Eligible transfers may occur on M-OTC, subject to MASD rules, disclosure and surveillance, with FRC supervision.

Financing Strategy and Potential Further Bond Program

KK intends to continue placement under the current US$60.0 million program. Aspire and KK are also considering whether, following progress of the current placement, to seek approval for a further bond program of up to US$60.0 million. If implemented and fully placed, aggregate bond issuance across the current and potential additional programs could be up to US$120.0 million.

The amount and timing of any additional issuance would depend on performance of sales under the current program, prevailing market conditions, Project funding requirements and the extent to which bond financing is displaced by alternative sources, particularly advance coal sales or offtake prepayment arrangements. Any further program would be separate from the current approved US$60.0 million program and subject to all required corporate, MASD, Bank of Mongolia and other applicable regulatory approvals.

As noted in Aspire's updated JORC Coal Reserve announcement released earlier today, Project-financing amounts and timing included in the Project Cost Model are modelling assumptions only and do not constitute a representation or assurance that funding will be obtained in the amounts, at the times or on the terms assumed. The actual financing mix may differ, including through substitution of bond financing with advance coal sales or other funding sources.

Use of Proceeds and Appendix 1

The Ovoot Bond Securities Prospectus states that proceeds from the current program are to finance development and construction of the OCCP. The English-language translation to be attached as Appendix 1 is provided to Aspire shareholders and the market for corporate disclosure and information purposes. The Mongolian-language Securities Prospectus is the document issued in connection with the Mongolian offering.

– Ends –

This announcement was authorised for release to the ASX by the Company Secretary, Ms Emily Austin.

For Enquiries:

Sam Bowles | Chief Executive Officer
info@aspirelimited.com

Dannika Warburton | Investor & Media Relations:
ir@aspirelimited.com

Phone:

Registered Office: +61 2 8072 1400

Mongolia Office: +976 7011 6828

Follow Aspire Mining Limited:

Email Alerts: https://aspirelimited.com/contact/email-alerts/

LinkedIn: https://www.linkedin.com/company/aspire-limited/

Appendix 1 – English-language translation of the Ovoot Bond Securities Prospectus

Attached is an English-language translation of the Securities Prospectus prepared by Aspire's wholly owned subsidiary Khurgatai Khairkhan LLC in connection with the issue of the Ovoot Bond through the over-the-counter securities market in Mongolia.

The original Securities Prospectus is in the Mongolian language and has been prepared for the purposes of the offer of the Ovoot Bond to professional investors in Mongolia. The attached English-language translation is being released by Aspire for the purposes of informing Aspire shareholders and the market about the Ovoot Bond financing and the information contained in the Mongolian Securities Prospectus.

Important jurisdictional disclaimer

The Ovoot Bond is being offered solely in Mongolia to professional investors through the Mongolian over-the-counter securities market. The Ovoot Bond is not being offered or issued in Australia or in any jurisdiction outside Mongolia.

The attached English-language translation is provided for information and disclosure purposes only. Its publication by Aspire through the ASX market announcements platform does not constitute, and should not be construed as, an offer, invitation, solicitation or recommendation to subscribe for, purchase or otherwise acquire the Ovoot Bond in Australia or in any other jurisdiction outside Mongolia.

The attached document is a translation of a Securities Prospectus prepared under the applicable laws, regulations and market requirements of Mongolia. It is not a prospectus, product disclosure statement or other disclosure document for the purposes of Chapter 6D or any other provision of the Corporations Act 2001 (Cth) and has not been prepared as an Australian disclosure document.

Neither the Mongolian-language Securities Prospectus nor the attached English translation has been lodged with the Australian Securities and Investments Commission (ASIC) as a disclosure document under the Corporations Act 2001 (Cth), and no action has been taken to register, qualify or otherwise permit an offer of the Ovoot Bond in Australia.

No person receiving or accessing this ASX announcement or the attached English translation is invited or entitled by reason of that receipt or access to apply for, subscribe for, purchase or otherwise acquire the Ovoot Bond.

Status of the translation

The attached document is an English-language translation of the Mongolian Securities Prospectus. It is being published by Aspire to provide English-speaking shareholders and investors with access to the information contained in that document.

The Mongolian-language Securities Prospectus is the document issued in connection with the Mongolian offering. The English translation does not amend, supplement or extend the terms or jurisdiction of that offering.

Note regarding distribution restrictions in the Prospectus

The Mongolian Securities Prospectus contains restrictions on its reproduction, public disclosure and online publication and states that it is to be presented only within a closed circle of professional investors. Those provisions form part of the Mongolian Securities Prospectus and have therefore been retained in the attached English translation.

Aspire's publication of this English translation through ASX is being undertaken separately for Australian corporate disclosure and information purposes and does not constitute distribution of the Ovoot Bond offering to investors in Australia.

About Aspire

Aspire Mining Limited (ASX: AKM) is developing premium coking coal deposits in an environmentally sensitive manner to support global sustainable development, deliver shared prosperity to local host communities and long-term growth for our shareholders.

Aspire's assets include the Ovoot Coking Coal Project (100%) and Nuurstei Coking Coal Project (90%) in Khuvsgul aimag (province) of north-western Mongolia, strategically located proximal to end markets in northern China.

The Ovoot Coking Coal Project is world-class in terms of scale, product quality, and project economics. With key approvals in place for the mine, CHPP and road development, and remaining approvals and agreements progressing, Aspire is advancing the OCCP toward production with the objective of delivering a highly sought-after 'fat' coking coal product to customers in China and other end markets.

Aspire's transformational projects make the company uniquely positioned to deliver value and build a sustainable future in Mongolia. Aspire is committed to responsible development that prioritises the well-being and advancement of its host communities. The OCCP development includes construction of new public-use highway infrastructure and is expected to create significant employment opportunities.

The Company is led by a team with extensive Mongolian mining and logistics experience and benefits from strategic relationships with key stakeholders and substantial support from Mongolian investors.

For further information, please visit: **aspirelimited.com**

Forward-Looking Statements

This announcement, including Appendix 1, contains forward-looking information and statements concerning Aspire Mining Limited, Khurgatai Khairkhan LLC, the Ovoot Bond and the development and financing of the Ovoot Coking Coal Project. Forward-looking information is based on assumptions, estimates, expectations and opinions considered reasonable at the date the relevant statements were made, but is inherently subject to risks, uncertainties and other factors which may cause actual outcomes to differ materially from those expressed or implied.

Forward-looking information in the body of this announcement includes statements concerning the continued placement of securities under the current US$60.0 million Ovoot Bond program; the amount and timing of further bond sales; the potential issuance of up to a further US$60.0 million of bonds; the availability and terms of Project financing; the potential displacement of bond financing by alternative funding sources, including advance coal sales or offtake prepayments; and the application of financing proceeds toward development and construction of the OCCP. The amount, timing and terms of any future financing will depend on matters including investor demand, prevailing market conditions, Project funding requirements, availability of alternative funding sources and receipt of any required corporate and regulatory approvals.

Appendix 1 contains an English-language translation of the Mongolian Securities Prospectus prepared in connection with the Ovoot Bond. The Securities Prospectus contains additional forward-looking information and financial projections concerning, among other matters, Project development and construction, commencement and ramp-up of coal production and sales, production volumes, coal prices, processing yields, operating and transportation costs, capital expenditure, working-capital requirements, taxation, financing costs, debt funding and debt repayment. Those financial projections were prepared by the Underwriter based on the Project Cost Model prepared by Glogex Consulting LLC in connection with the JORC (2012) compliant Coal Reserve estimate as at 31 March 2026.

The financial projections contained in Appendix 1 are inherently uncertain and should not be regarded as a guarantee or assurance of future financial performance. In particular, although the projections assume the raising of an aggregate US$120 million of OTC bond financing during 2026 and 2027, only the current US$60.0 million Ovoot Bond program has been registered for issue and the potential further issuance described in this announcement remains subject to the matters referred to above and all required approvals. Actual financing arrangements may differ materially in amount, timing, pricing, tenor, structure or source from those assumed in the Securities Prospectus or the Project Cost Model.

Actual outcomes may differ materially as a result of factors including changes in investor demand and financial-market conditions; availability and cost of financing; coal prices and foreign-exchange rates; Project design, scope, timing and construction costs; production volumes and processing yields; operating and transportation costs; availability and timing of road, rail, power and other infrastructure; regulatory and permitting requirements; contractor and supplier performance; and other risks associated with development and operation of the OCCP.

Although Aspire believes that the assumptions and expectations underlying the forward-looking statements made by it are reasonable as at the date of this announcement, no assurance can be given that they will prove to be correct or that the outcomes contemplated will be achieved. Readers should not place undue reliance on forward-looking information. Except as required by applicable law or the ASX Listing Rules, Aspire does not undertake to update or revise forward-looking information to reflect events or circumstances arising after the date of this announcement.

Non-IFRS and Other Financial Measures

Appendix 1 contains certain financial measures and ratios, including EBITDA, EBITDA margin, gross margin and net income margin, which are presented as part of the financial information and projections contained in the Mongolian Securities Prospectus. Certain of these measures are not defined or recognised measures under International Financial Reporting Standards (IFRS) and may be calculated differently by other entities.

These measures are reproduced as part of the English-language translation of the Mongolian Securities Prospectus and should not be considered in isolation or as substitutes for measures of financial performance or cash flow prepared in accordance with IFRS.

Khurgatai Khairkhan LLC

Prospectus

"Ovoot" Bond

IMPORTANT: This document is an English translation of a Mongolian Securities Prospectus. The Ovoot Bond is offered solely in Mongolia to professional investors and is not offered in Australia. Publication of this translation by Aspire Mining Limited through ASX is for corporate disclosure and information purposes only and does not constitute an offer of securities in Australia.

NOTICE TO INVESTORS

Important jurisdictional disclaimer

The Ovoot Bond is being offered solely in Mongolia to professional investors through the Mongolian over-the-counter securities market. The Ovoot Bond is not being offered or issued in Australia or in any jurisdiction outside Mongolia.

The attached English-language translation is provided for information and disclosure purposes only. Its publication by Aspire through the ASX market announcements platform does not constitute, and should not be construed as, an offer, invitation, solicitation or recommendation to subscribe for, purchase or otherwise acquire the Ovoot Bond in Australia or in any other jurisdiction outside Mongolia.

The attached document is a translation of a Securities Prospectus prepared under the applicable laws, regulations and market requirements of Mongolia. It is not a prospectus, product disclosure statement or other disclosure document for the purposes of Chapter 6D or any other provision of the Corporations Act 2001 (Cth) and has not been prepared as an Australian disclosure document.

Neither the Mongolian-language Securities Prospectus nor the attached English translation has been lodged with the Australian Securities and Investments Commission (ASIC) as a disclosure document under the Corporations Act 2001 (Cth), and no action has been taken to register, qualify or otherwise permit an offer of the Ovoot Bond in Australia.

No person receiving or accessing this ASX announcement or the attached English translation is invited or entitled by reason of that receipt or access to apply for, subscribe for, purchase or otherwise acquire the Ovoot Bond.

Status of the translation

This document is an English-language translation of the Mongolian Securities Prospectus. It is being published by Aspire to provide English-speaking shareholders and investors with access to the information contained in that document.

The Mongolian-language Securities Prospectus is the document issued in connection with the Mongolian offering. The English translation does not amend, supplement or extend the terms or jurisdiction of that offering.

Notice to investors in Mongolia

This Securities Prospectus does not substitute for, and should not be relied upon as, an independent evaluation or analysis by you, the Investor. You, the Investor, are making this investment based on your own independent research and analysis of the Issuer and the securities it is issuing, and the related information, and it is recommended that you consult your own professional financial, legal, and other relevant advisors.

Certain forward-looking and time-sensitive information, statements, estimates, and projections contained in this Securities Prospectus are based on information and beliefs gathered from relevant sources of the Issuer, and no information has been intentionally omitted. In preparing this information, statements, estimates, and projections, the Underwriter has sought to use accurate information to reflect actual circumstances as closely as possible; however, the Underwriter does not accept responsibility for the accuracy of such information and does not guarantee the realization of the estimates or forward-looking projections.

Please note that registration of the Security with the OTC Market registry does not constitute any guarantee regarding the risk of this security. Investors should note that the purchase of this security ALWAYS INVOLVES RISK, and it is recommended that you make your investment decision only after carefully studying this Securities Prospectus and the securities issuance process.

This Securities Prospectus is intended to contain all information necessary to assist you, the Investor, in deciding to purchase this security. If, in making your decision, you require more detailed or additional information beyond what is contained in this Prospectus, or need any clarification, please contact the Issuer, Khurgatai Khairkhan LLC, and the Underwriter, Tenger Capital Securities LLC.

Reproducing, publicly disclosing, or posting this Securities Prospectus online is prohibited. This Securities Prospectus shall be presented only within a closed circle of professional investors.

Disclaimers

The estimates of Coal Reserves and Coal Resources in this Securities Prospectus were reported in Aspire Mining Limited's ASX announcements titled "Ovoot Coal Resources and Reserves Updated – Revised" dated 22 November 2024 and "Ovoot Coal Reserve Update Supports Strong Project Economics" dated 11 September 2026. Aspire Mining Limited confirms it is not aware of any new information or data that materially affects the information included in those announcements, and in the case of the estimates of Coal Reserves and Coal Resources, that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed.

The production target and forecast financial information derived from it included in this Securities Prospectus were reported in Aspire Mining Limited's ASX announcements titled "Ovoot Coal Resources and Reserves Updated – Revised" dated 22 November 2024 and "Ovoot Coal Reserve Update Supports Strong Project Economics" dated 11 September 2026. Aspire Mining Limited confirms that all the material assumptions underpinning the production target, or the forecast financial information derived from the production target, in those announcements continue to apply and have not materially changed.

SUMMARY OF THE SECURITIES OFFERING

About the Bond Offered on the Over-the-Counter Market

Pursuant to Resolution No. 26/01 of the Shareholder of Khurgatai Khairkhan LLC, and Board approval of the ultimate parent company of the issuer, the issuer will offer and trade debt instruments equivalent to USD 60 million on the over the counter (OTC) market.

Type of Security	**Fixed-rate program bond**
Program Implementation	The Securities may be issued in one or more tranches. The amount, term and interest rate applicable to each tranche will be determined from time to time by mutual agreement between the Issuer and the Underwriter, having regard to prevailing market conditions and the Issuer's financing requirements.
Name of the Security	Ovoot Bond
Use of Investment Proceeds	To finance the construction of the Ovoot Coking Coal Project being implemented by Khurgatai Khairkhan LLC
Total Amount to be Raised	USD 60,000,000
Number of Securities Offered	60,000 units
Offering Price per Unit	USD 1,000
Interest Rate	11-13% p.a. The specific fixed interest rate applicable to each tranche will be separately agreed between the Issuer and the Underwriter at the time of that tranche's issuance and may differ between tranches.
Offering Period of the Security	Up to 60 months
Interest Payment Schedule	Quarterly
Principal Payment Schedule	At maturity
Bond Program Implementation Period	60 months
Method of Securing Performance of Obligations	• Guarantee by Gemnet LLC • Guarantee by Mr. Tserenpuntsag Tsedendamba

CONTENTS

NOTICE TO INVESTORS 2
SUMMARY OF THE SECURITIES OFFERING 4
CONTENTS 5
PARTIES INVOLVED IN THE SECURITIES ISSUANCE PROCESS 8
1. RISK FACTORS 10
1.1. Risk Factors 10
1.1.1. Price Volatility and Market 10
1.1.2. Environment and Climate 10
1.1.3. Community Opposition 10
1.1.4. Geopolitical 11
1.1.5. Mining 11
1.1.6. Infrastructure 11
1.1.7. Liquidity 12
1.1.8. Legal and Regulatory 12
1.1.9. Construction Cost Overruns 12
1.1.10. Delays to the Project Timeline 12
1.1.11. Inherent Uncertainty of the Financial Projections in Section 4 (Forecast Risk) 13
1.1.12. Guarantor Credit and Enforcement 13
1.2. Risk Management 14
2. COMPREHENSIVE INFORMATION ON THE SECURITY 18
2.1. About the Bond Offered on the Over-the-Counter Market 18
2.2. Basis for Determining the Security's Interest Rate 18
2.3. Detailed Information on the Issuer's Project 21
2.3.1. General Project Parameters 21
2.3.2. Coal Quality and Competitive Advantage 22
2.4. Plan for the Use of Funds Raised through the Security 23
2.5. On Securing Performance of Obligations under the Security 24
2.5.1. Limitations of the Guarantees and Consequences of Guarantor Non-Payment 25
2.5.2. On Repayment of the Security and Securing Performance of Obligations 26
2.5.3. Rights and Obligations Evidenced by the Security 26
2.5.4. Rights and Obligations of Parties Involved in Securing Performance 27
3. INFORMATION ON THE SECURITY ISSUER 30
3.1. Brief Introduction of the Issuer 30
3.2. Information on the Issuer's Shareholders 30
3.2.1. Shareholders 30

3.3. Organizational Structure of the Issuer 31
3.4. Authorized Officials of the Issuer 32
3.5. Special Permits/Licenses of the Issuer 34
3.6. Conflict-of-Interest and Large-Scale Transactions 34
3.7. Related Parties of the Issuer 34
3.8. Business Operations of the Issuer 35
3.9. About the Issuer's Market 40
3.9.1. Overview of Mongolia's Mining Sector 40
3.9.2. The Coking Coal Market 42
3.9.3. Target Market 44
3.9.4. Conclusion 46
3.10. Financial Statements of the Issuer 47
3.10.1. Statement of Financial Position 47
3.10.2. Income Statement 49
3.10.3. Statement of Cash Flows 49
4. FINANCIAL PROJECTIONS OF THE SECURITIES ISSUER 52
4.1. Financial Plan 52
4.1.1. Projected Income Statement 52
4.1.2. Projected Statement of Financial Position 52
4.1.3. Projected Cash Flow Statement 53
5. PARTIES INVOLVED IN SECURITIES OFFERING 56
5.1. Introduction of the Underwriter 56
5.2. Introduction of the Audit Organization 56

LIST OF TABLES

Table 1. Risk Matrix 14
Table 2. Risk Management 14
Table 3. General Terms of the Security 18
Table 4. Total Sources of Funding 23
Table 5. Planned Use of Bond Financing Proceeds (USD million) 24
Table 6. Ownership Percentage of the Guarantor 24
Table 7. Options for Steps in Securing Performance of Obligations 26
Table 8. Rights and Obligations Evidenced by the Security 26
Table 9. Parties Involved in Securing Performance of Obligations 27
Table 10. Summary Information on the Issuer 30
Table 11. Ownership Structure of the Issuer 30
Table 12. Profile of Mr. Tserenpuntsag Tsedendamba 31
Table 13. Functions of the Issuer's Departments 32
Table 14. Authorized Officials of the Issuer 32
Table 15. Special Permits/Licenses of the Issuer 34
Table 16. Large-Scale Transactions 34

Table 17. List of Subsidiaries of Khurgatai Khairkhan LLC (all 100% wholly owned) 35
Table 18. Overview of the Murun-Uliastai Highway Project 38
Table 19. Technical Studies and Regulatory Approvals Completed to Date 38
Table 20. Phase 1 Investment to establish 2.5 Mtpa capacity infrastructure 40
Table 21. Coal Deposits in Mongolia 41
Table 22. Key Statistics of Mongolia's Total Coal Exports 41
Table 23. Quality Comparison with fat coking coals in the Target Market Regions 46
Table 24. Coal Consumption in the Target Market 46
Table 25. Statement of Financial Position of the Issuer 48
Table 26. Issuer's Detailed Accounts Payable and Receivable, in MNT million 48
Table 27. Issuer's Reference Information, as of July 2026 49
Table 28. Income Statement of the Issuer 49
Table 29. Historical Cash Flow Statement of the Issuer 50
Table 30. Projected Income Statement of the Issuer 52
Table 31. Projected Statement of Financial Position 53
Table 32. Projected Cash Flow Statement 54

LIST OF CHARTS

Chart 1. Comparison of Interest Rate Levels 19
Chart 2. MNT/USD Exchange Rate (year-end) 20
Chart 3. Ownership Structure of Khurgatai Khairkhan LLC 31
Chart 4. Group Structure of the Issuer's Parent Company, Aspire Mining Limited 35
Chart 5. Global Demand for Coking Coal (Mt) 43
Chart 6. China's Coking Coal Demand 2021-2029 45

LIST OF FIGURES

Figure 1. Mine Infrastructure 36
Figure 2. Coal Handling and Preparation Plant 36
Figure 3. Transportation Hub 37
Figure 4. Erdenet Rail Terminal 37
Figure 5. Map of the Target Market Figure 45

PARTIES INVOLVED IN THE SECURITIES ISSUANCE PROCESS

ISSUER	
ХУРГАТАЙ ХАЙРХАН	**Khurgatai Khairkhan LLC**
State Registration Number	9019053077
Registration Number	5104424
Established	2006.12.21
Field of Operation	- Foreign Trade - Mineral Exploration - Mineral Extraction
Address	9th Floor, JJ Tower, Baga toiruu-17, 1st khoroo, Chingeltei district, Ulaanbaatar, MONGOLIA, 15170.
Phone	+976 7011-6828
Email	info@khurgataikhairkhan.mn

UNDERWRITER	
Tenger Capital	**Tenger Capital Securities LLC**
State Registration Number	9011117009
Registration Number	5157234
Established	2007.08.10
Field of Operation	Underwriting, Brokerage, Investment Advisory
Address	Suite 1401, 14th Floor, New Horizon Office, Olympic Street, 1st khoroo, Sukhbaatar district, Ulaanbaatar, MONGOLIA.
Phone	+976-7711-0272
Email	info@tengercapital.mn

AUDIT COMPANY	
“Өлзийт экаунт аудит” ХХК	**Olziit Account Audit LLC**
State Registration Number	9018001063
Registration Number	5490677
Established	2011.06.20
Field of Operation	Audit Activities
Address	Suite 01, Building 65, Bumtsend Street, 6th khoroo, Sukhbaatar district, Ulaanbaatar, MONGOLIA.
Phone	Phone: +976 7013-0460, +976 9910-9702
Email	auditulziit@gmail.com

1 RISK FACTORS

1. RISK FACTORS

The Issuer's operations are potentially exposed to certain risks depending on factors such as price volatility and market conditions, environmental requirements, geopolitical conditions, the mining and infrastructure sector, liquidity, and the legal and regulatory environment. The section below presents the key risks that may affect the Ovoot Coking Coal Project (**"OCCP"**) and the Issuer's operations.

Investors should carefully consider the Issuer's information and the risks set out in this Securities Prospectus. Below are identified the risks considered most material to the Issuer for purposes of investor evaluation.

1.1. Risk Factors

1.1.1. Price Volatility and Market

The price of coking coal is subject to the risk of sharp fluctuations depending on numerous factors, including global market demand and supply for coal, macroeconomic conditions, political instability, and steel production cycles. A sharp decline in prices would have a direct adverse impact on the Company's revenue and profitability.

In addition, fluctuations in foreign exchange rates, interest rate levels, inflation, and investor sentiment create risks to financial performance and sales stability. The coking coal from Ovoot will be primarily used to produce coke used for steel production. Demand for coking coal is directly tied to the volume of steel production. As China accounts for more than 50% of global steel production, demand from the Chinese steel sector remains the principal driver of the Company's revenue. Slowdown in China's economy would affect sales volumes.

1.1.2. Environment and Climate

Numerous new laws, rules, and regulations are being introduced worldwide as part of efforts to reduce carbon emissions. If Mongolia begins implementing carbon taxes, environmental damage levies, and similar measures in line with international practice, the Issuer's costs could rise, potentially reducing profit. If mining extraction is carried out improperly, it can cause significant harm to the environment and society. The Issuer, for its part, is undertaking a range of measures to reduce potential adverse environmental and social impacts.

On the other hand, Mongolia's extreme climate and the natural disasters that have been increasing in recent years – such as drought, dzud (severe winter), and strong winds – could disrupt the Issuer's operations and, in turn, affect sales.

1.1.3. Community Opposition

Mining operations can affect the use of pastureland and water resources, create dust, result in increased traffic and impact on livestock migration routes, creating a risk of opposition from local residents and herders. In such cases, the blockage of transportation routes, temporary suspension of extraction, and delays in the issuance or renewal of permits could adversely affect the continuity of the Issuer's operations, sales, revenue and costs.

In this connection, Khurgatai Khairkhan LLC has worked to develop long-term cooperation with local communities. Examples of this work has included:

- Successfully operating a Green Fodder Program in partnership with the local community for more than five years, creating local employment opportunities, and producing animal feed that for donation and discounted sale to more than 1,000 households in Tsetserleg soum.
- Provided scholarships for tertiary education to more than 40 youth from the local community, on basis of academic merit and financial need, with aim to support professional training of those likely to return to the region.
- Supported the Environmental Fellowship Program implemented by the Zorig Foundation, which provides opportunity for young Mongolian professionals with an interest in learning more about and assisting implementation of programs to address environmental issues in Mongolia.
- Made multiple donations to support local schools, hospitals, cultural centres and other community organisations, and supported local community sporting competitions and local athletes participating in national and international sporting competitions.

1.1.4. Geopolitical

China, which accounted for 52.0% of global steel production in 2025 according to the World Steel Association, is the Issuer's principal market. Mongolia is situated in a geopolitically sensitive zone between China and Russia.

The Russia–Ukraine war, the China–Taiwan issue and geopolitical tensions in the East Asia region may create risks to regional supply chains, and the market risks that could arise from these also remain a concern. International economic sanctions, tariffs, trade restrictions, and cross-border transport disruptions that could arise from these and other geopolitical instabilities may affect coal exports.

1.1.5. Mining

Estimates of the mineral resources and reserves at the Ovoot deposit are based on geological forecasts, sample analysis, and modelling, and are therefore subject to a degree of change. Such estimates require professional evaluation and judgment relating to the distribution and quality of the minerals and the economic efficiency of the extraction, processing and transportation and logistics processes to enable sales to customers.

These parameters may change over the course of actual extraction, creating a risk that directly affects the production plan, cost structure, and project returns.

1.1.6. Infrastructure

The Ovoot deposit is in a remote area of northwestern Mongolia. Transportation is a major part of the Issuer's planned operations, and this remoteness could create considerable difficulty. Intrinsic to the development of the OCCP is the development of road infrastructure to facilitate product coal transportation to market. This is planned to be completed under a Build-Operate-Transfer (BOT) Public-Private-Partnership (PPP) Agreement. The Murun–Uliastai Highway Project, for which the Issuer is the private sector proponent, was endorsed by the cabinet of the Government of Mongolia on 27 August 2025.

Construction of Phase 1 of the Murun–Uliastai Highway Project is planned to be completed prior to when coal mining, processing and transportation begins, but it could be delayed or postponed due to external factors which could delay revenue generation.

1.1.7. Liquidity

According to the Issuer's 2024 audited report, the Issuer's short-term liabilities were MNT 221 billion, and by the 2025 year-end report the following liabilities had decreased to MNT 5 billion. This decrease reflects a non-cash conversion of related-party payables to equity, agreed between the Issuer and Aspire Mining Limited in 2025, and hence does not by itself indicate an improvement in the Issuer's cash liquidity. The project being implemented by the Issuer requires substantial initial financing, and there is a risk that inadequate cash planning or external factors could result in the Issuer being unable to make principal and interest payments on schedule.

1.1.8. Legal and Regulatory

Under Article 56 of the Minerals Law, the Issuer's mining license could be revoked. Even absent the circumstances specified in that article, sudden adverse changes to mining license, tax, or labour regulation laws would likewise adversely affect the Issuer's operations.

In addition, since the Issuer is a company with foreign investment, issues such as new regulation of foreign investment or state reclamation of the deposit could arise.

1.1.9. Construction Cost Overruns

The development of the OCCP requires substantial capital expenditure across several separate infrastructure components, including the mine site infrastructure, Coal Handling and Preparation Plant ("CHPP"), Transportation Hub, Erdenet Rail Terminal ("ERT") and supporting transportation infrastructure. Although the Issuer has entered a lump-sum Engineering, Procurement and Construction ("EPC") contract with CCTEG-IEC for the CHPP and ERT facilities with a contract value of approximately USD 69.9 million, not all Project expenditure is covered by that contract.

Actual Project costs may exceed current estimates as a result of, among other things, changes in design or scope, variations under construction contracts, increases in the cost of labour, materials, equipment, transportation or utilities, adverse ground or site conditions, foreign-exchange movements, regulatory requirements, delays, or other unforeseen circumstances. The Project also includes mine, logistics, transportation and working-capital expenditure that is expected to be funded separately from the EPC contract.

Material cost overruns could increase the Issuer's financing requirements and may require additional debt or equity funding, deferral or reduction of planned expenditure, or changes to the scope or timing of Project development. If sufficient additional funding were not available on acceptable terms, this could delay commencement of operations, adversely affect Project economics and reduce the Issuer's capacity to meet its obligations under the Securities.

1.1.10. Delays to the Project Timeline

The Issuer currently plans to commence coal mining, processing, transportation and sales in the fourth quarter of 2027. Achieving this timetable requires the coordinated completion and commissioning of a number of interdependent Project components, including mine development, the CHPP, Transportation Hub, ERT and road infrastructure.

The Project schedule may be affected by factors including delays in detailed design and regulatory approvals, procurement and delivery of equipment, construction and commissioning activities, availability of contractors and skilled personnel, adverse weather or site conditions, financing availability, performance of contractors and suppliers, and completion of supporting road, power and other infrastructure. In particular, the transportation arrangements for the Project depend materially upon development of the Murun–Uliastai Highway Project, which is intended to be undertaken separately under a public-private partnership structure.

Any material delay in one or more critical Project components could delay the commencement or ramp-up of coal production and sales. This could result in increased construction and financing costs, defer operating cash flows and adversely affect the Issuer's financial position, profitability and ability to make scheduled principal and interest payments under the Securities.

1.1.11. Inherent Uncertainty of the Financial Projections in Section 4 (Forecast Risk)

The financial projections presented in Section 4 are forward-looking estimates and are inherently uncertain. They have been prepared by the Underwriter based on the Project cost model prepared by Glogex Consulting LLC in connection with the Coal Reserve estimate reported in accordance with the Joint Ore Reserves Committee's Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**JORC (2012)**) as at 31 March 2026. The projections assume, among other matters, commencement of coal production and sales in the fourth quarter of 2027 and a coal sales price of USD 230 per tonne DDP Erlian.

The projections also depend on assumptions regarding production volumes and ramp-up, coal quality and processing yield, operating and transportation costs, capital expenditure, working-capital requirements, taxation, financing costs and the availability and timing of debt funding. In particular, the projected financial position assumes that USD 120 million of OTC bond financing will be raised during 2026 and 2027, while the projected cash flows assume that operating cash flows generated following commencement of operations will become sufficient to support subsequent investment requirements and repayment of debt.

Actual circumstances and results may differ materially from these assumptions and projections. Changes in coal prices, production volumes, Project timing, construction or operating costs, financing arrangements, interest rates, foreign-exchange rates, taxation, regulatory requirements or other factors could materially affect projected revenue, profitability, cash flow and debt-servicing capacity. Accordingly, the financial projections should not be regarded as a guarantee or assurance of the Issuer's future financial performance.

1.1.12. Guarantor Credit and Enforcement

The Issuer's obligations under the Securities are supported by guarantees provided by Gemnet LLC and Mr. Tserenpuntsag Tsedendamba. If the Issuer fails to make principal or interest payments when due, the relevant Guarantee Agreements provide for the Guarantors to satisfy the secured obligations on behalf of the Issuer.

The ability of a Guarantor to perform its obligations when called upon will depend on its financial position, liquidity and the value and availability of its assets at that time. These circumstances may change materially during the term of the Securities. Accordingly, there is a risk that one or both Guarantors may be unable to pay some or all of the amount required under their guarantees.

If a Guarantor fails or is unable to perform, the Issuer remains liable for the amounts owing and the Obligee may exercise available rights against the Issuer and the Guarantors. Recovery may require arbitration, legal proceedings or other enforcement action, which may result in delay and additional costs. If the Issuer and the Guarantors do not have sufficient assets available to meet the amounts owing, Security Holders may recover less than the principal, interest and other amounts due to them.

A failure by the Guarantors to meet their obligations following a default by the Issuer could also materially worsen the Issuer's liquidity and financial position, adversely affect the development of the OCCP and restrict the Issuer's ability to obtain further financing.

1.2. Risk Management

The key risks noted above were assessed using a risk-evaluation matrix based on the product of probability and impact, classifying each identified risk by its probability and impact level. Depending on the scope and probability level of the risk, risk management measures such as avoidance, transfer, mitigation, or acceptance are identified and implemented.

Table 1. Risk Matrix

Risk	Probability	Impact	Score	Rating
Price Volatility and Market	3	4	12	High
Environment and Climate	2	4	8	Possible
Local Community Opposition	1	3	3	Low
Geopolitical	3	2	6	Possible
Mining	2	3	6	Possible
Infrastructure	1	3	3	Possible
Liquidity	1	2	2	Low
Legal and Regulatory	1	2	2	Low
Construction Cost Overruns	3	4	12	High
Project Timeline Delays	3	4	12	High
Forecast Risk	4	3	12	High
Guarantor Credit and Enforcement	2	4	8	Possible

			IMPACT				
			Minor **1**	Moderate **2**	Severe **3**	Critical **4**	Catastrophic **5**
PROBABILITY	Very High	**5**	5	10	15	20	25
	High	**4**	4	8	12	16	20
	Possible	**3**	3	6	9	12	15
	Low	**2**	2	4	6	8	12
	Rare	**1**	1	2	3	4	5

Table 2. Risk Management

Risk	Causes	Consequences	Mitigation Methods

Price Volatility and Market	Changes in coal prices due to market demand and supply, steel production cycles, macroeconomic conditions, and similar factors.	Failure to meet business plan and strategic targets, decline in profitability.	Regularly conduct macroeconomic and demand-supply research, enter long-term fixed-price contracts with customers where possible.
Environment and Climate	Increased environmental regulation, rising frequency of natural disasters.	Increase in the Company's operating costs, decline in profitability.	Conduct operations with minimal harm to the environment and society, research the environmental legal and regulatory environment.
Local Community Opposition	Use of pastureland and water resources, dust, transport loads, closure of livestock migration routes, residents perceiving insufficient socio-economic benefit to the local community.	Closure of transport roads, temporary suspension of extraction, delays in issuance or renewal of permits, disruption of sales schedules, increased costs, damage to the Company's reputation.	Sign and implement cooperation agreements with local communities, continue community support programs, provide local residents with jobs and vocational training, source supplies locally, incorporate into the mine-closure plan a commitment not to worsen local social conditions.
Geopolitical	Regional instability, rising international tensions.	Disruption of the supply chain, delays in exports.	Conduct ongoing geopolitical monitoring.
Mining	Resource estimates diverging from actual extraction.	Changes to the extraction plan, decline in sales projections.	Conduct additional drilling, carry out resource studies on an ongoing basis.
Infrastructure	Disruption of transport operations due to external factors, delay or halt in the construction of the paved road.	Decline in sales revenue, disruption of operations, inability to repay short-term liabilities.	Study alternative road routes usable until road construction is complete.
Liquidity	Delay in repaying short-term liabilities and interest, resulting in inability to pay.	Additional fines and charges, decline in investor confidence, increased cost of raising funds.	Implement an optimal cash-flow strategy, build up financial reserves.
Legal and Regulatory	Unfavourable changes to the legal and regulatory environment.	Revocation of the special license, transfer of ownership of the deposit.	Conduct ongoing monitoring of the legal and regulatory environment.
Construction Cost Overruns	Changes in design or scope, variations to construction contracts, increases in labour, equipment, material and transportation costs, adverse site conditions, or other unforeseen	Increased funding requirements, deterioration in Project economics, delay or reduction of planned development activities, and increased pressure on the Issuer’s liquidity	Utilise lump-sum contracting where appropriate, complete detailed engineering and technical studies before construction, closely monitor construction costs and contractor performance, maintain contingency allowances,

	construction requirements.	and debt-servicing capacity.	and stage non-critical expenditure where practicable.
Project Timeline Delays	Delays in design, approvals, procurement, equipment delivery, construction or commissioning; contractor or supplier delays; adverse weather or site conditions; financing delays; or delays to interdependent infrastructure including the Murun–Uliastai Highway.	Delay to commencement or ramp-up of coal production and sales, increased construction and financing costs, deferred operating cash flows, and reduced capacity to meet scheduled debt obligations.	Maintain detailed project schedules and critical-path monitoring, closely manage contractors and suppliers, advance regulatory approvals and procurement in parallel where practicable, coordinate delivery of interdependent infrastructure, and maintain schedule contingency.
Forecast Risk	Actual coal prices, production volumes, processing yields, operating and transportation costs, capital expenditure, financing terms, project timing or other assumptions differing from those used in the financial projections.	Actual revenue, profitability, cash flow and financial position may differ materially from projections, potentially increasing funding requirements or reducing the Issuer’s capacity to service and repay debt.	Regularly review and update financial projections against actual Project performance and market conditions, undertake sensitivity and scenario analysis, monitor key financial and operational assumptions, and adjust expenditure, financing and operating plans where necessary.
Guarantor Credit and Enforcement	Deterioration in a Guarantor's financial position or liquidity, insufficient recoverable assets at the time a guarantee is called, or delay in enforcement of the guarantee.	Delay or shortfall in payment to Security Holders, continued liability of the Issuer for unpaid amounts, additional penalties and enforcement costs, increased liquidity pressure and reduced ability to obtain further financing.	Maintain both guarantee arrangements; monitor the Issuer's and Guarantors' financial capacity; require timely financial information and notification of material adverse changes; commence the guarantee process promptly following a payment default; and exercise available enforcement rights against the Issuer and Guarantors where necessary.

2 COMPREHENSIVE INFORMATION ON THE SECURITY

2. COMPREHENSIVE INFORMATION ON THE SECURITY

2.1. About the Bond Offered on the Over-the-Counter Market

Pursuant to a Resolution from the Board of Directors of Aspire Mining Limited, the Issuer's ultimate parent company, a debt instrument equivalent to USD 60 million will be offered and traded on the over-the-counter market.

Table 3. General Terms of the Security

Type of Security	Fixed-Rate Program Bond
Program Implementation	The Securities may be issued in one or more tranches. The amount, term and interest rate applicable to each tranche will be determined from time to time by mutual agreement between the Issuer and the Underwriter, having regard to prevailing market conditions and the Issuer's financing requirements.
Name of the Security	Ovoot Bond
Use of Investment Proceeds	To finance the construction of the Ovoot Coking Coal Project being implemented by Khurgatai Khairkhan LLC
Total Amount to be Raised	USD 60,000,000
Number of Securities Offered	60,000 units
Offering Price per Unit	USD 1,000
Interest Rate	11-13% p.a. The specific fixed interest rate applicable to each tranche will be separately agreed between the Issuer and the Underwriter at the time of that tranche's issuance and may differ between tranches.
Offering Period of the Security	Up to 60 months
Interest Payment Schedule	Quarterly
Principal Payment Schedule	At maturity
Bond Program Implementation Period	60 months
Method of Securing Performance of Obligations	• Guarantee by Gemnet LLC • Guarantee by Mr. Tserenpuntsag Tsedendamba

The Issuer has obtained approval from the Bank of Mongolia to issue and trade a total of USD 60.0 million in debt instruments on the domestic market.

2.2. Basis for Determining the Security's Interest Rate

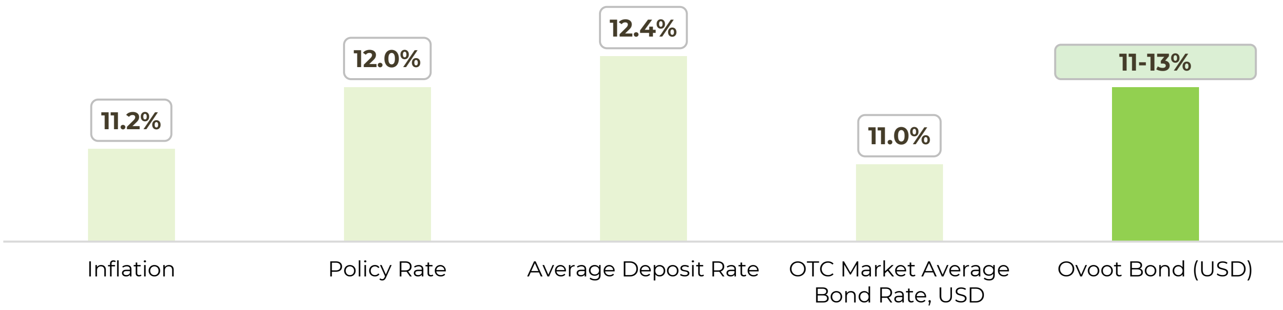
In setting interest rate applicable to each tranche of the Ovoot Bond, the Issuer and the Underwriter will mutually agree the applicable rate, taking into account, in aggregate, the characteristics of a USD-denominated security, macroeconomic conditions (including the policy rate set by the Bank of Mongolia, inflation, and the outlook for the MNT/USD exchange rate), the outlook for the mining sector and, in particular, the coking coal export sector, yield levels on comparable USD-denominated bonds traded on the OTC market, and investors' USD return expectations.

As the Ovoot Bond program is structured to be traded in several tranches, the interest rate will be set within a range of 11-13% per annum, depending on market conditions and the characteristics of each tranche at the relevant time. The applicable rates will be confirmed at issuance according to the maturity period of each bond issuance and remain fixed for the duration of that bond.

Denominating the bond in USD is consistent with the nature of the Issuer's operations. Since the export revenue to be earned by the Issuer from the sale of coking coal produced from the Ovoot deposit is expected to be generated in USD, denominating the debt obligation in USD ensures alignment between the currency of revenue and the currency of payment, providing the advantage of protection against exchange-rate risk.

From the standpoint of investor returns, as of May 2026, Mongolia's year-on-year inflation reached 11.2%,[1] and according to IMF projections, average CPI-based inflation is expected to decline from 9.5% to 8.3% per annum in 2027 and 2028.[2] The Ovoot Bond's USD interest rate of 11-13% per annum not only provides a nominal return exceeding the rate of domestic price increases but, being denominated in US dollars, also protects investors from depreciation of the MNT, providing the added advantage of generating an exchange-rate return on top of the interest amount when expressed in MNT terms.

Chart 1. Comparison of Interest Rate Levels



Source: Bank of Mongolia, MASD

Determination of Interest Rate for Each Tranche: The Ovoot Bond is a bond program under which Securities may be issued in multiple tranches. In accordance with the Underwriting Services Agreement, the interest rate applicable to each tranche will be determined by mutual agreement between the Issuer and the Underwriter at or prior to the issuance of that tranche. Neither the Issuer nor the Underwriter has unilateral authority under the Underwriting Services Agreement to determine the interest rate.

In determining the interest rate for a particular tranche, the Issuer and the Underwriter will have regard to prevailing market conditions at the relevant time, including investor demand, the Bank of Mongolia policy rate, yields available on comparable USD-denominated securities, the maturity and other terms of the tranche and other relevant market factors. The interest rate for each tranche will be set within the permitted range of 11% to 13% per annum.

Each tranche is separately priced for the purposes of determining its interest rate. Accordingly, the interest rate applicable to the first tranche does not determine or establish the interest rate applicable to any subsequent tranche. A subsequent tranche

---

[1] Bank of Mongolia, Consumer Price Indices. Available at: https://www.mongolbank.mn/en/inflation

[2] International Monetary Fund, Asia and Pacific Dept, Mongolia: 2026 Article IV Consultation Discussions-Press Release; and Staff Report, Vol. 2026, Issue 219. Available at: https://www.elibrary.imf.org/view/journals/002/2026/219/002.2026.issue-219-en.xml

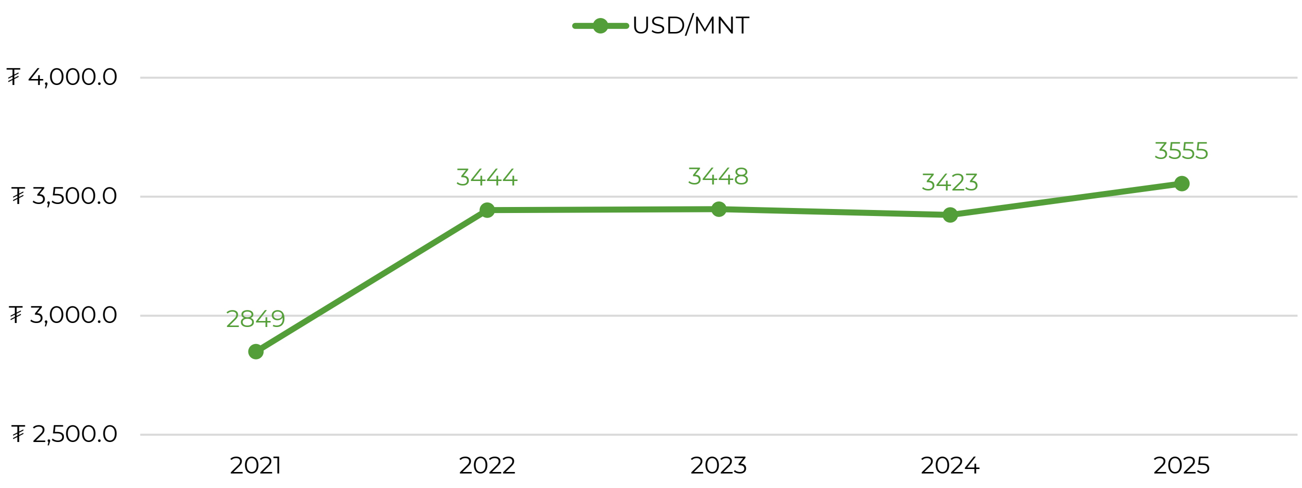
may therefore have a higher, lower or the same interest rate as an earlier tranche, provided that the rate is within the 11% to 13% per annum range applicable to the bond program.

Once the interest rate for a tranche has been agreed and that tranche has been issued, the interest rate for the Securities comprising that tranche will be fixed for the term of those Securities. A subsequent change in the interest rate applicable to another tranche will not alter the interest rate payable on Securities already issued under an earlier tranche.

If the Issuer and the Underwriter are unable to agree the interest rate or payment terms applicable to a proposed tranche, that tranche will not proceed on the proposed terms. The Underwriting Services Agreement provides the Underwriter with a right to terminate the underwriting arrangement where the Parties cannot agree the interest rate or payment terms for Securities proposed to be offered to investors.

Long-Term Exchange Rate Trend: The MNT/USD exchange rate has generally trended weaker over the past ten years. The rate, which stood at MNT 2,489 at the end of 2016, reached approximately MNT 3,555 by the end of 2025, representing a 42.8% increase in the MNT/USD rate, equivalent to a depreciation of the MNT of approximately 30.0%, or about 3.9% per annum on a compounded basis. This change has not been linear; it has occurred in stages, in step with coal export revenue, the balance-of-payments position, and changes in the country's foreign-exchange reserves. The sharpest depreciation was observed in 2022, while from 2023 export revenue increased, the balance of payments improved, and foreign-exchange reserves grew, leading to relatively greater exchange-rate stability. The persistence of an underlying long-term depreciation trend in the MNT means that a USD-denominated bond has the advantage of protecting the investor's real asset value and purchasing power.

Chart 2. MNT/USD Exchange Rate (year-end)



Source: Bank of Mongolia, National Statistics Office

Outlook: According to the Bank of Mongolia's June 2026 Monetary Policy Report, the MNT/USD exchange rate has stayed relatively stable, helped by rising coal export revenue and higher foreign-currency reserve.[3] One of the underlying factors supporting exchange-rate stability is the structure of external debt repayments. The burden of large external debt and bond repayments is expected to be relatively low next year, and the current-account deficit is projected to decrease by around 40% compared with 2025. Although the exchange rate is expected to remain relatively stable in the near term, the risk of a long-

[3] Bank of Mongolia, Monetary Policy Report, June 2026. https://www.mongolbank.mn/mn/r/12562

term depreciation trend may persist over the bond's 60-month bond program, so the USD-denominated structure has the advantage of protecting investors from exchange-rate risk.

2.3. Detailed Information on the Issuer's Project

Khurgatai Khairkhan LLC (the **"Company"**) was established in 2006 and holds the right to develop the Ovoot coking coal deposit located in Tsetserleg soum, Khuvsgul aimag. The Company is responsible for and implements all stages of development of the Ovoot Coking Coal Project (the **"OCCP"** or the **"Project"**), including mine planning, permitting and licensing, infrastructure organization, and preparation for operation.

2.3.1. General Project Parameters

The OCCP is based upon a deposit of 'fat' coking coal identified within Mining License MV-017098 in Tsetserleg soum, Khuvsgul aimag. The deposit contains an estimated total Coal Resource of 219.4 Mt reported in accordance with JORC (2012), within which 130.1 Mt total Coal Reserve reported in accordance with JORC (2012) has been estimated.

MV-017098 was issued in August 2012 and is valid until August 2042. Under the Minerals Law, this license may be extended twice for periods of 20 years each, which ensures stability in the Project's operating term and long-term operational continuity.

Mining infrastructure development began in the third quarter of 2025, with expansion of onsite camp accommodation and construction of a combined workshop, warehouse and office facility to support construction and initial operations activity.

Coal production, delivery and sales are planned to commence in the fourth quarter of 2027. The initially raw coal mining and processing capacity is planned to be 1.5 Mtpa, resulting in production of approximately 1.2 Mtpa of product coal subject to raw coal quality and yield performance. It is intended that this will increase to 2.5 Mtpa of raw coal mining and processing, resulting in approximately 2.0 Mtpa of product coal for sale, based upon the initial infrastructure to be constructed with the proceeds from this bond issue.

Beyond this, it is planned (subject to approval) to expand the coal processing facilities to enable raw coal mining and processing capacity to be increased to 5.0 Mtpa and enabling washed 'fat' coking coal production and sales to increase to approximately 4.0 Mtpa.

As part of preparations for project implementation, the issuer has conducted and had approved statutory feasibility studies for the planned mine, processing facility, road infrastructure and rail terminal that it plans to build. Statutory Detailed Environmental Impact Assessments have also been prepared and approved in relation to the planned infrastructure construction and operation. The statutory Detailed Design has also been approved for Phase 1 of the Murun–Uliastai Highway Project which will enable product coal transportation from Ovoot.

These developments, along with detailed road-transportation and rail logistics modelling, progression of preliminary engineering designs, completion of confirmatory infill drilling and execution of EPC contract for delivery of processing and rail terminal infrastructure have been considered in the current Coal Reserve estimate reported in accordance with JORC (2012). This work has strengthened the technical and economic feasibility of the Project and established an important foundation for reducing construction and financing risk.

Transportation and Logistics: The Issuer is principally targeting customers in northern and northeastern China and plans to manage product delivery until at least across the Mongolia – China border. Initially the washed 'fat' coking coal will be trucked from the Ovoot mine site to a rail terminal being developed in Jargalant soum, Orkhon aimag. At the rail terminal coal will be transloaded from trucks to rail wagons, which will then be hauled across the Trans-Mongolian railway to Chinese ports, with the most attractive point of entry into China being Zamiin-uud / Erlian port.

Development of the A1102 Murun–Uliastai highway, for which the Issuer has been the public sector proponent of, will critically underpin the safe, efficient and economical transportation of washed fat coking coal from Ovoot. Development of this road will also support local communities through replacement of the existing unformed and unpaved roads that are difficult to travel and subject to seasonal blockages, whilst also enabling prevention of further environmental damage being incurred by these informal roads.

2.3.2. Coal Quality and Competitive Advantage

Based upon its various technical properties, the coal within the Ovoot deposit is classified as a #36 Metabituminous coal (**"FM36"**) according to the Chinese standard GB/T 5751-2009 *'Classification of Chinese Coals'*. This makes it a unique, highly sought after and valuable 'fat' coking coal. Further, Chinese standard GB/T 26128-2010 '*Classification and utilization of scarce and special coal resources'* identifies this type of coal as a Scarce Coking Coal.

The key properties that qualify the Ovoot coal as a unique, high-quality fat coking coal include its high caking index (G > 95), broad plastic range (~100 °C). Other attractive properties to coal buyers include its low ash, moderate sulphur content and moderately high volatile matter.

Colloquially, 'fat' coking coals are also termed 'friendly' coking coals, as they are used to facilitate effective blending of differing coals in coke ovens to produce coke then used for steel making. 'Fat' coking coals typically trade at similar prices to more commonly known mid-volatile hard coking coals, but sometimes at a premium as they are used by coke manufactures to enable blending of lower quality and lower cost coals into coke oven feed blends whilst still enabling quality coke production.

Supply of coal from Mongolia to China benefits from geographical proximity and strong diplomatic relations. Preliminary meetings with potential partners and buyers have shown strong demand interest, providing an advantage for early market entry.

2.4. Plan for the Use of Funds Raised through the Security

Since the commencement of the project, the Issuer has financed and completed investments totalling approximately USD 70 million using its own funds, without incurring any loan liabilities. The investment amount has been calculated using the exchange rate as of 31 December 2025. These investments, made over several years, are reflected in the Issuer's paid-in capital as reported in its balance sheet as of 31 December 2025.

The remaining investment required to construct Phase 1 Infrastructure to support raw coal production at up to 2.5 Mtpa is USD 149.2 million. Of this, 61.2 million is forecast to be spent prior to commencement of production and revenue generation, as well as an additional 24.6 million working capital requirement. This is planned to be funded from the following sources:

Table 4. Total Sources of Funding

Source of Funding	Amount (USD million)
Debt Financing*	120.0
Total Project Financing:	**120.0**

** This represents the total amount of debt financing the issuer intends to raise. The current bond prospectus, however, relates only to a USD 60 million portion of the overall financing program.*

Bond financing will be raised in two parts. Under this Prospectus, the first part of a closed USD 60 million bond is planned to be offered to professional investors on the over-the-counter market. This financing will be used to establish the core production and logistics infrastructure needed to launch operations of the Ovoot Coking Coal Project (OCCP). This includes:

- the Ovoot mine's Coal Handling and Preparation Plant (CHPP); and
- the Erdenet Railway Terminal (ERT) coal unloading, storage, and rail-loading facility.

Once these facilities are operational, they will provide the fundamental conditions for processing Ovoot's raw coal into a washed product meeting export requirement, and support the operation of efficient road transportation and rail logistics.

An Engineering, Procurement and Construction (EPC) contract for delivery of the planned CHPP and ERT facilities has been signed with the International Engineering Company of China Coal Technology and Engineering Group Corp. (CCTEG-IEC), a subsidiary of the Chinese state-owned China Coal Technology and Engineering Group (CCTEG), for a lump sum contract value of USD 69.9 million.

This EPC contract fully covers the following work:

- preparation and expertising (localisation) of detailed engineering designs;
- procurement of necessary equipment and materials;
- construction work and equipment installation;
- testing, commissioning, and staff training;
- practical commissioning upon achieving performance guarantees; and
- achievement of state commissioning.

Other project investments exceeding the total EPC contract cost – such as mine and logistics infrastructure, leased equipment, and working capital – are planned to be financed in stages through subsequent bond tranches.

Table 5. Planned Use of Bond Financing Proceeds (USD million)

Use of Bond Proceeds	USD million
Ovoot Bond (to be issued and traded in 2026)	
Processing Infrastructure (CHPP)	22.3
Logistics Infrastructure (ERT)	15.4
Transportation Infrastructure	4.6
Mining Infrastructure	1.6
Other	3.2
Working Capital	13.1
Total	**60.0**

2.5. On Securing Performance of Obligations under the Security

Pursuant to a Resolution of the Board of Directors of the Issuer's ultimate parent company, performance of obligations under the USD 60.0 million bond to be issued on the over-the-counter market shall be secured as follows. This includes:

1. Guarantee by Gemnet LLC

   According to Gemnet LLC's 2025 audited financial statements, total assets were MNT 129.6 billion and EBITDA was MNT 8.6 billion. These figures represent historical financial information and do not constitute an assurance that Gemnet LLC will have sufficient liquidity or recoverable assets to satisfy the guarantee if it is called during the term of the Securities.

2. Guarantee by Mr. Tserenpuntsag Tsedendamba

   The guarantor, Mr. Tserenpuntsag Tsedendamba, is currently registered as the ultimate beneficial owner of four companies. These include Gem International LLC, Gemtrade LLC, Gem Property LLC, and Ddish TV LLC.

Under the guarantees, if the Issuer fails, in whole or in part, to meet its obligation to pay principal and interest on the bond, or is unable to meet it on time, the Guarantor undertakes to perform the bond obligations on behalf of the Obligor without dispute.

Ownership percentage of the companies for whom Mr. Tserenpuntsag Tsedendamba is considered the ultimate beneficial owner include as follows:

Table 6. Ownership Percentage of the Guarantor

Company Name	Ownership
Gem International LLC	50%
Gemtrade LLC	50%
Gem Property LLC	50%
Ddish TV LLC	51%

2.5.1. Limitations of the Guarantees and Consequences of Guarantor Non-Payment

The guarantees provided by Gemnet LLC and Mr. Tserenpuntsag Tsedendamba are contractual obligations of the respective Guarantors and do not remove or replace the Issuer's primary obligation to make all principal and interest payments due under the Securities.

Under each Guarantee Agreement, following the occurrence of the circumstances giving rise to enforcement of the guarantee and receipt of the required notice, the relevant Guarantor is required to satisfy the secured obligations on behalf of the Issuer. The secured obligations include the principal and interest payable on the Securities and may also include penalties, losses, enforcement costs and other expenses specified in the relevant Guarantee Agreement. If a Guarantor fails to make the required payment within the period specified in the Guarantee Agreement, additional penalties may accrue and the Obligee may take steps to enforce the obligations against the Guarantor and the Issuer.

However, the existence of the guarantees does not itself ensure that either Guarantor will have sufficient cash, liquid assets or other recoverable assets to satisfy a claim at the time the guarantee is enforced. Although each Guarantor has made representations regarding its financial capacity and assets at the time of entering into the relevant Guarantee Agreement, the financial position, liquidity and value of the assets of a Guarantor may change during the term of the Securities. The Guarantee Agreements do not provide a segregated cash reserve or an automatic source of replacement funding if a Guarantor is unable to perform its obligations.

If either Guarantor is unable to satisfy a claim under its guarantee, the rights against the other Guarantor and the Issuer are not thereby extinguished. The Issuer remains liable for all amounts owing under the Securities notwithstanding any failure by a Guarantor to perform. The Obligee may therefore seek recovery from the Issuer and the relevant Guarantor or Guarantors in accordance with the Guarantee Agreements and applicable law.

If the Issuer has defaulted and the Guarantors are also unable to satisfy the amounts claimed from them, Security Holders may not receive principal or interest when due and recovery may require arbitration, legal proceedings or other enforcement action. Such proceedings may take time, involve additional costs and may not result in recovery of the full amount owing if the assets available to satisfy the relevant obligations are insufficient.

For the Issuer, failure of the Guarantors to satisfy a claim does not defer, reduce or discharge the Issuer's underlying obligations. The Issuer would continue to be liable for unpaid principal and interest and, where applicable, losses, penalties and enforcement costs. This could place additional pressure on the Issuer's liquidity and financial position and could materially adversely affect the continuation or timing of Project development, the Issuer's ability to obtain further financing and its ability to satisfy its other financial obligations.

Accordingly, the guarantees should not be regarded as an assurance that principal or interest on the Securities will be paid in full or on time.

2.5.2. On Repayment of the Security and Securing Performance of Obligations

Conditions for Initiating the Performance-Securing Process

If it is confirmed by the Underwriter's assessment and findings that Khurgatai Khairkhan LLC lacks the financial capacity to make bond interest and principal payments according to the pre-agreed schedule, or has encountered liquidity risk, and the bond payment deadline is exceeded, performance of obligations shall be secured under the guarantee agreement.

Steps and Schedule for Implementing the Performance-Securing Process

Table 7. Options for Steps in Securing Performance of Obligations

Step	Actions to be Taken	Timeframe
Assess Payment Capacity	The Underwriter shall assess payment capacity 10 business days before interest and principal payments are due, and the process shall begin if principal or interest payments on the Debt Instrument traded on the over-the-counter market are not made on time or are delayed by 24 hours beyond the deadline for posting to the CSD (Central Securities Depository).	1-10 business days
Notify of Exercise of Guarantee Rights	Notice of the exercise of guarantee rights shall be delivered to the Guarantor and the Obligor within 3 days.	3 business days
Register in the Electronic Database	Register in the electronic database that the process of meeting the guarantee requirement has begun.	1 business day
Compensate Investors' Losses	Using the Guarantor's assets, within 14-45 days, compensate investors' losses.	1-2 business days

2.5.3. Rights and Obligations Evidenced by the Security

Table 8. Rights and Obligations Evidenced by the Security

Security Holder	
Rights of the Security Holder	▪ To review the Company's financial statements, ▪ To receive price information on the secondary market for the Security, ▪ To receive trading offers on the secondary market for the Security, ▪ Other rights specified by law, ▪ The Security Holder may freely trade and dispose of the Security it holds on the secondary market, ▪ At maturity, exercise the rights to sell the Security back to the Issuer at par value, demand repurchase, demand payment of accrued interest, or demand that the Issuer repay the bond, and other rights specified under applicable laws and regulations of Mongolia.
Obligations of the Security Holder	▪ To deposit the full purchase amount for the ordered Security into its account at the central securities depository, ▪ To pay applicable taxes on interest income and capital gains from the Security, ▪ Not to publicly disclose or advertise information about the Security purchased within the closed circle,
Issuer	
Rights of the Issuer	▪ To require the Security Holder who placed the purchase order to transfer the full required payment within the specified time, ▪ To recover damages caused to it as a result of the Security Holder failing to perform, or failing to properly perform, its contractual obligations, ▪ To receive information regarding performance of the contract
Obligations of the Issuer	▪ To transfer the Debt Instrument into the Security Holder's ownership on the date the agreement is concluded ▪ By repurchasing the Debt Instrument from the investor at par value at maturity and transferring it to the Security Holder, to pay the interest and principal of the Debt Instrument in full according to schedule, to fully complete

	payment of the Debt Instrument upon its maturity, and to repay it ahead of or in priority to other debt instruments issued by the Issuer; ▪ At the request of the Security Holder, to accurately provide information other than that which constitutes confidential information of the Issuer; ▪ To prepare and provide all information about the Issuer required by law and requested by the Underwriter that is necessary for preparing the Securities Prospectus; ▪ To use funds raised through the Security solely for the purposes set out in the Securities Prospectus, ▪ In the event of any issue relating to performance of obligations under the Security, to take appropriate measures to satisfy the Security Holder's interest and principal payments, ▪ To keep strictly confidential the personal information of the Debt Instrument holder and information relating to the amount of the Debt Instrument purchased, and it is prohibited to disclose such information to any third party, whether intentionally or inadvertently. ▪ If the Issuer fails to properly perform its obligations under the relevant agreements, it is obligated to compensate the Security Holder for any resulting loss or damages without dispute.

2.5.4. Rights and Obligations of Parties Involved in Securing Performance

Table 9. Parties Involved in Securing Performance of Obligations

Obligee / Pledgee:	Tenger Capital Securities LLC
Obligor:	Khurgatai Khairkhan LLC
Guarantor:	▪ Mr. Tserenpuntsag Tsedendamba ▪ Gemnet LLC
Rights and Obligations of the Pledgor	▪ The Pledgor has the right to be released from the pledge obligation once performance of the bond obligation has been fully secured. ▪ After the pledge agreement is concluded, the Pledgor has the right to require the Pledgee to register the pledge against the Pledgor's property records and financial documents as a priority claim for satisfying the pledge payment obligation. ▪ If the conditions for exercising the pledge right are met, the Pledgor is obligated, based on the Pledgee's notice, to transfer the scheduled principal and interest payments on the bond to bondholders' accounts without dispute and on a priority basis. ▪ The Pledgor is obligated to fully secure performance of the bond obligation within the period specified after receiving the Pledgee's notice. ▪ If the Pledgor fails to perform its contractual obligations or fails to make payment to the bondholder on time, it is obligated to pay a penalty of 0.3% of the unperformed obligation amount for each day of delay. ▪ The Pledgor is obligated, immediately upon request, to provide the Pledgee with any information and all documents necessary for exercising the pledge right, and to fully cooperate with the Pledgee in exercising its pledge right.

Rights and Obligations of the Pledgee:	▪ The Pledgee has the right to require the Pledgor to secure performance of its obligation within the period specified in the notice. ▪ If the Pledgor fails to perform its obligation by the final deadline specified in the above notice, the Pledgee has the right to take possession of the pledged property and secure performance of the obligation within 30 days. ▪ The Pledgee has the right to review in advance, and to monitor, information regarding the Issuer and the bond's repayment. ▪ After the pledge agreement is concluded, the Pledgee is obligated to register the pledge, within the scope of its priority right to satisfy the pledge payment obligation, against the Pledgor's property records and financial documents. ▪ If the principal and interest payments on the issued bond are paid on schedule, the Pledgee is obligated to deliver confirmation information to the Pledgor within 2 business days. ▪ Other rights and obligations specified in the pledge agreement.
Rights and Obligations of the Guarantor	▪ The Guarantor confirms to the Obligee that the Obligor is able to fully perform its obligations under the underlying agreement, and undertakes to be fully liable on the Obligor's behalf if it fails to do so. ▪ As the Guarantor is providing the guarantee under this agreement at its own request and initiative, it has no right to unilaterally terminate this agreement or to renounce the obligations it has undertaken under it. ▪ It consents to information regarding its performance of the Guarantor obligation on the bond issued on the over-the-counter market under the Underwriting Agreement being entered into the Credit Information Database. ▪ The Guarantor is prohibited from transferring the rights and obligations set out in this agreement to any other party without the consent of the Obligee.
Rights and Obligations of the Obligee	▪ If the Obligor fails to perform its repayment obligation under the agreement, the Obligee has the right to demand that performance of the obligation be secured under the pledge and guarantee agreements ▪ If the Obligor fails to perform its obligation on time, the Obligee shall notify the Pledgor and the Guarantor of this. ▪ The Obligee is obligated to accurately inform the Guarantor regarding the Obligor's performance of its obligations under the Underwriting Agreement. ▪ The Obligee is obligated to provide the Pledgor and the Guarantor with documentation evidencing that the obligation has been performed.

3 INFORMATION ON THE SECURITY ISSUER

3. INFORMATION ON THE SECURITY ISSUER

3.1. Brief Introduction of the Issuer

Khurgatai Khairkhan LLC was established on December 21, 2006, for the purpose of mineral exploration and extraction. The Issuer is developing the Ovoot Coking Coal Project based upon mining license MV-017098 which it holds in Tsetserleg soum, Khuvsgul aimag, in the northern region of Mongolia. Within this mining license exists a high-quality coking coal deposit for which Coal Reserve of total 130.1 Mt reported in accordance with JORC (2012) has been estimated. The mining license is valid until 2042, and the Issuer has the right to extend it twice for 20 years on occurrence going forward.

Table 10. Summary Information on the Issuer

Issuer's Registered Name	**Khurgatai Khairkhan LLC**
Registration Number	5104424
State Registration Number	9019053077
Date of Establishment	2006.12.21
Registered with a Trading Organization	No
Field of Operation	▪ Foreign trade ▪ Exploration of minerals ▪ Extraction of minerals
Address	9th Floor, JJ Tower, Baga toiruu-17, 1st khoroo, Chingeltei district, Ulaanbaatar, MONGOLIA 15170
Phone	+976 7011-6828
Email	info@khurgataikhairkhan.mn
Amount of Paid-in Capital	USD 69,894,415
Shareholder Information	Ovoot Coking Coal Pte. Ltd. - 100%

3.2. Information on the Issuer's Shareholders

3.2.1. Shareholders

The Issuer has a total of 1,000 ordinary shares issued to one shareholder with a par value of MNT 249,578,990.79 (USD 69,894,415). The sole shareholder is Ovoot Coking Coal Pte Ltd and is registered in the Republic of Singapore. Ovoot Coking Coal Pte Ltd is a direct, wholly owned subsidiary of Aspire Mining Limited.

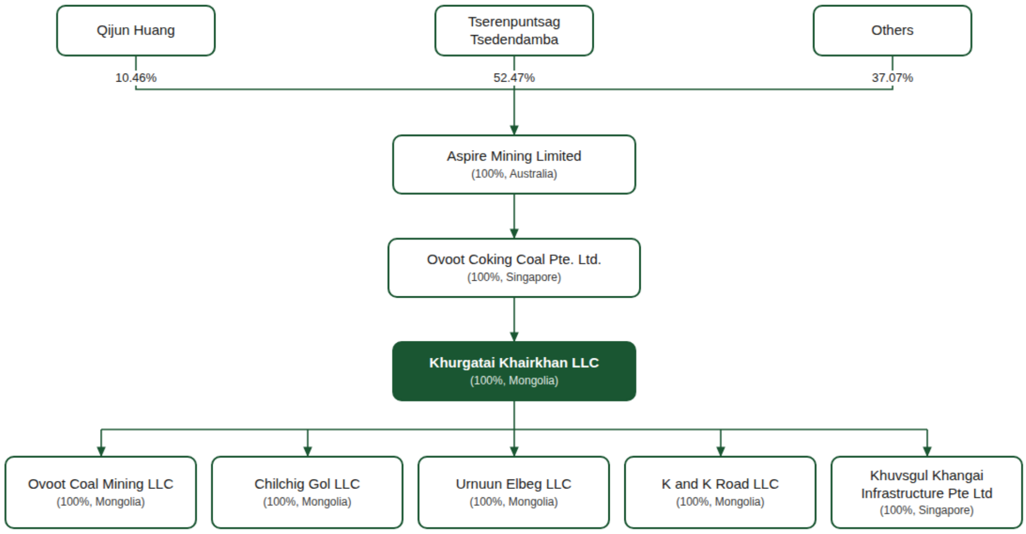
Table 11. Ownership Structure of the Issuer

Shareholder	Shares Issued			Ownership Percentage
	Number of Shares (units)	Par Value (MNT)	Total (MNT)	
Ovoot Coking Coal Pte. Ltd. (Reg. No.: 201211645N)	1,000	249,578,990.79	249,578,990,793	100%
Total	**1,000**		**249,578,990,793**	**100%**

The Issuer's shareholder, Ovoot Coking Coal Pte. Ltd., has 100% of its ordinary shares held by Aspire Mining Limited, which is listed on the Australian Securities Exchange (ASX). Of Aspire Mining Limited's ordinary shares, 52.47% is held by Mr. Tserenpuntsag

Tsedendamba, 10.46% by Mr. Qijun Huang, and the remainder by other individuals and legal entities.

Chart 3. Ownership Structure of Khurgatai Khairkhan LLC



Source: Ownership structure information provided by Aspire Mining Limited.

Table 12. Profile of Mr. Tserenpuntsag Tsedendamba

Mr. Tserenpuntsag Tsedendamba

Education:

2024	UC Berkeley, USA, - Master's of Public Administration
2013	Dominican University of California, USA, Business Administration - Master's Degree
1988-1992	Mongolian University of Science and Technology, Mechanical Engineering - Bachelor's Degree

Experience:

1999–	Gem International LLC - Founder, President
2008–	Gemnet LLC - Founder
2013–	SPS TV LLC - Founder, Advisor
2018–	Khujirt Tour LLC - Chairman of the Board
2022-2024	State Great Khural of Mongolia - Chairman of the Standing Committee on Economic Policy
2020-2024	State Great Khural of Mongolia - Member
2008-2016	Ddish TV LLC - Founder, Chairman of the Board
2005-2010	G Mobile LLC - Chairman of the Board of Directors

3.3. Organizational Structure of the Issuer

As set out in the Issuer's charter, the supreme governing body of the Issuer is the Shareholders' Meeting, and it does not have a Board of Directors. The Issuer's organizational structure comprises six departments, with the Chief Operating Officer overseeing these departments. The departmental functions are defined as follows.

Table 13. Functions of the Issuer's Departments

Department	Main Functions
Executive Director	Oversees the Company's operations. Sets and assigns staff duties. Takes measures to implement the resolutions of the Shareholders' Meeting and the business plan and ensure their execution.
Chief Operating Officer	Responsible for directing the Company's core operations and ensuring implementation of the strategy approved by executive management.
Projects	To plan, organize, implement, and monitor construction and other projects, determine budgets and timelines, provide construction management and engineering solutions, ensure safety and standards compliance, and implement risk-mitigation measures.
Site Services	To organize Ovoot site operations, including camp operation, coordinate employee housing, catering, household services, maintenance, and camp staff work.
Administration	To implement human resources policy, manage employee records, recruitment, and training, direct administrative operations, office management, workplace safety, ensure service quality, and manage internal organization and resources.
Sustainability	To organize the Company's corporate social responsibility, environmental protection, and safety activities, manage local and public relations, disseminate information, reduce risk, ensure compliance with laws and standards, and implement sustainable-development policy.
Finance	To manage the Company's finances, reporting, budget planning, accounting, cost control, asset and resource management, and ensure the accuracy of financial reporting.

3.4. Authorized Officials of the Issuer

The Issuer's executive management consists of the Executive Director, who operates in accordance with the Issuer's charter. Pursuant to Article 11.1 of the Company's charter, the following persons are considered authorized officials.

Table 14. Authorized Officials of the Issuer

Achit-Erdene Darambazar - **Executive Director**

Education:

1999-2000 Columbia University, Master's of International Affairs

1995-1999 Middlebury College, International Economics, Politics, and Japanese - Bachelor's Degree

Experience:

2019– Executive Chairman, Aspire Mining Limited

2019– Executive Director, Khurgatai Khairkhan LLC

2005– President, Mongolia International Capital Corporation LLC

2003-2005 Head of Investment Banking Department, Anod Bank

Samuel Bowles - **Chief Operating Officer**

Education:

1999-2002 BE (Mining), University of New South Wales

Experience:

2023– Chief Executive Officer, Aspire Mining Limited

2020– Chief Operating Officer, Khurgatai Khairkhan LLC

2020-2023 Chief Operating Officer, Aspire Mining Limited

2018-2019 Executive Director, Terra Energy LLC

2017-2019 Mongolia Business Unit Head, TerraCom Limited

2012-2016 Chief Operating Officer, Mongolian Mining Corporation

2012-2016 Chief Operating Officer, Energy Resources LLC

2010-2012 Senior Mining Engineer, Leighton LLC

2006-2010 Senior Mining Engineer, Rio Tinto Coal Australia

2003-2006 Mining Engineer, Anglo Coal Australia

Unentugs Sakhiya - Head of Finance

Education:

2017-2018 MFin, University of Adelaide

2004-2009 BAcc, Devry University

Experience:

2023– Group Financial Controller, Aspire Mining Limited

2023– Head of Finance, Khurgatai Khairkhan LLC

2021-2023 Head of Finance, Supply, and HR, Terra Energy LLC

2020-2021 Head of Finance and Supply, Terra Energy LLC

2018-2020 Mongolia Finance Manager, TerraCom Limited

2016-2017 Head of Supply, Energy Resources LLC

2014-2016 Head of Finance, Energy Resources LLC

2013-2014 Senior Finance Manager, Energy Resources LLC

2012-2013 Finance Manager, Energy Resources LLC

2011-2012 Senior Financial Analyst, Energy Resources Mining LLC

2009-2011 Financial Analyst, Energy Resources Mining LLC

Bat-Oyun Batbold- Chief Accountant

Education:

2021-2024 MBA, University of Illinois

2012-2015 BAcc, University of Finance and Economics

Experience:

2025– Chief Accountant, Khurgatai Khairkhan LLC

2020-2021 State Tax Inspector, General Department of Taxation

2015-2020 State Tax Inspector, Bayangol District Tax Department

3.5. Special Permits/Licenses of the Issuer

The Issuer currently holds a mining license issued by the Mineral Resources and Petroleum Authority of Mongolia (MRPAM). This license may twice be extended by 20 years beyond the initial expiry date.

Table 15. Special Permits/Licenses of the Issuer

No.	Type of Activity	Date Issued - Expiry Date	License Number
1	Mineral Extraction	2012.08.10 - 2042.08.10	MV-017098

3.6. Conflict-of-Interest and Large-Scale Transactions

A 'Large-Scale Transaction' means, as set out in Article 87 of the Company Law of Mongolia, a transaction involving the sale, purchase, disposal, or pledge of property or property rights with a market value exceeding 25% of the total assets on the most recent balance sheet prior to the transaction, or several directly related transactions of this kind; this does not include transactions related to the Company's ordinary day-to-day operations.

Table 16. Large-Scale Transactions

Contracting Party	Date	Amount (USD)	Contract Content
International Engineering Company of China Coal Technology and Engineering Group Corp. (CCTEG-IEC)	2025.11.23	69.9 million	Lump sum for the Engineering, Procurement and Construction of a Coal Handling and Preparation Plant (CHPP) and coal handling infrastructure for the Erdenet Rail Terminal (ERT).
Tenger Capital Securities LLC	2026.07.03	120 million*	To provide underwriting services for raising up to USD 120.0 million on the over-the-counter market.

**The underwriting arrangement covers the full USD 120 million bond program, to be issued in two parts. This Prospectus relates only to the first part of USD 60 million, covered separately under the Underwriting Service agreement No.26/11 between the Issuer and Tenger Capital Securities LLC.*

Conflict-of-Interest Transactions

Under Article 89 of the Company Law of Mongolia, a shareholder holding 20% or more of the Company's ordinary shares, alone or jointly with a person with whom it has a common interest, or a company official or a person with whom that official has a common interest, is considered a party to a conflict-of-interest transaction with the Company, or with its dependent or subsidiary company, if it has entered into any of the specified relationships listed below with a company at which it works or in which it holds shares. The Company has not entered any conflict-of-interest transactions over the past three years.

3.7. Related Parties of the Issuer

Parent Company

Aspire Mining Limited is a company listed on the Australian Securities Exchange and holds all of the ordinary shares of the Issuer through its wholly owned and direct subsidiary, Ovoot Coking Coal Pte. Ltd. Aspire Mining Limited was established in 2006 and currently operates as a project developer for two mining projects in Mongolia: Nuurstei and Ovoot.

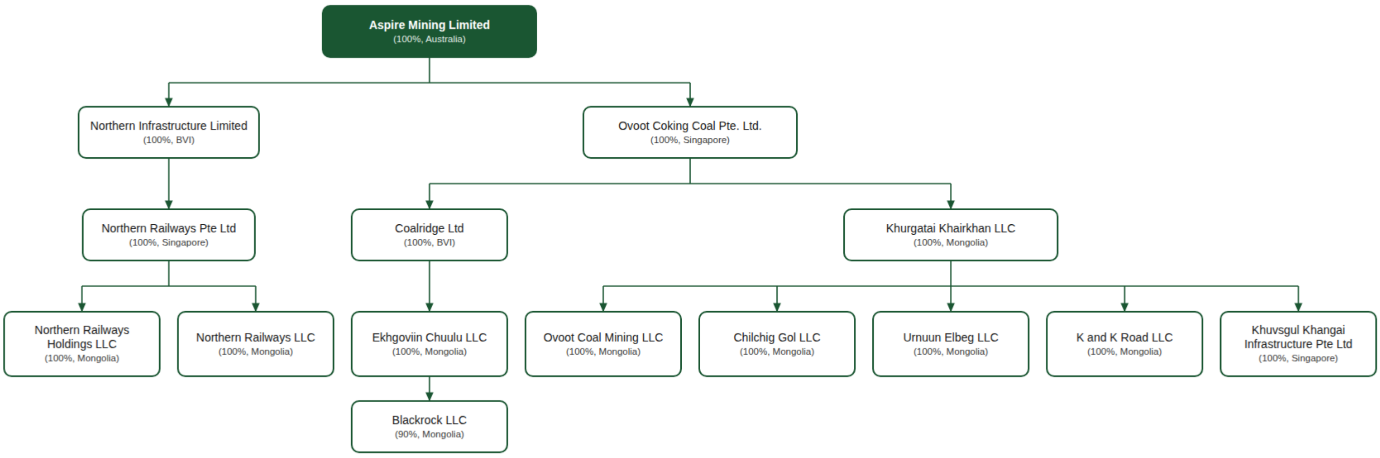
Subsidiaries

The Issuer holds shares in the following three companies, and these subsidiaries currently do not carry out any operations. Brief information on these subsidiaries is as follows:

Table 17. List of Subsidiaries of Khurgatai Khairkhan LLC (all 100% wholly owned)

Company Name	Field of Operation	Registration Number
Ovoot Coal Mining LLC	Foreign Trade; and Mineral Exploration.	5439701
Chilchig Gol LLC		5421691
Urnuun Elbeg LLC	Wholesale trade conducted on a fee or contract basis; and Mining Support Services.	4414217
K and K Road LLC	Management Consulting; and Project and Program Implementation	7276281
Khuvsgul Khangai Infrastructure Pte Ltd	Holding companies of firms engaged in non-financial and insurance activities.	2026251916W

Chart 4. Group Structure of the Issuer's Parent Company, Aspire Mining Limited



Source: Aspire Mining Limited.

3.8. Business Operations of the Issuer

The Issuer plans to conduct coal mining and coal processing operations within mining license MV-017098 that it holds in Tsetserleg soum, Khuvsgul aimag. Within this license:

- SRK Consulting MGL LLC estimated a JORC (2012) compliant total Coal Resource of 219.4 Mt as at 31 October 2024;
- SRK Consulting MGL LLC estimated a JORC (2012) compliant total Coal Reserve of 130.1 Mt as at 13 November 2024; and
- Glogex Consulting LLC confirmed the estimated JORC (2012) compliant total Coal Reserve of 130.1 Mt as at 31 March 2026 on basis of a reduced and delayed capital expenditure development plan now intended to be implemented.

Mining activity has not yet commenced within the Ovoot mining license, and the estimated Coal Resources and Coal Reserves remain unchanged. As of now, the Issuer has expanded its onsite workers camp in preparation to accommodate its initial construction and mine development workforce, and constructed a combined workshop, warehouse and office facility from which it will base its initial operations. Initial pre-stripping activity is expected to commence in 2026.

Following development of the Starter Pit (boxcut) to uncover coal, the annual raw coal mining and processing rate will initially target 1.5 Mtpa from Q4 2027 onwards, increasing to 2.5 Mtpa based upon the initial infrastructure to be constructed. Following modular expansion of the CHPP, the production rate is planned to increase to 5.0 Mtpa, requiring only minimal additional supporting infrastructure. Washed coal production and sale is this expected to commence at approximately 1.2 Mtpa, expanding to 2.0 Mtpa and then 4.0 Mtpa. Coal mining, processing, transportation and sales are planned to begin in the fourth quarter of 2027.

The Ovoot Coking Coal Project plans five major construction components: Mine Site Infrastructure, a Coal Handling and Preparation Plant, a Transportation Hub, the Erdenet Rail Terminal and the Murun–Uliastai Highway Project. The Engineering, Procurement, and Construction contract for delivery of the Coal Handling and Preparation Plant and coal handling infrastructure at the Erdenet Rail Terminal is already effective.

Mine Infrastructure

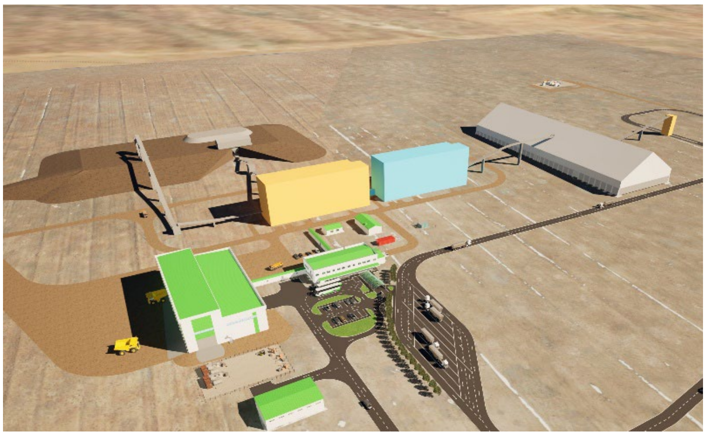
Figure 1. Mine Infrastructure

Description: Until the coal sales commence, operations at Ovoot will be supported by existing infrastructure plus a Wastewater Treatment Plant and connection to the Central Energy Grid.

Following revenue generation, bespoke infrastructure will be constructed, including larger Workshop, Warehouse, Office and Camp facilities.

Coal Handling and Preparation Plant (CHPP)

Figure 2. Coal Handling and Preparation Plant



Description: A modern, enclosed CHPP with capacity of 350 tonnes per hour raw coal feed, designed to produce low-ash fat coking coal onsite within the Ovoot mining license. Specifically designed to capture potential dust emissions and minimise raw water use, whilst avoiding requirement for tailings storage dam and ensuring highly efficient product loading to road trucks.

Transportation Hub

Figure 3. Transportation Hub

Description: A facility that will support the efficient inspection, servicing, refuelling and maintenance of the Issuer's planned transportation fleet, and accommodate its personnel required to operate and maintain the flee. The facility will be integral to supporting safe, efficient and continuous transportation operations to ensure economic delivery of washed 'fat' coking coal product from Ovoot.

Erdenet Railway Terminal

Figure 4. Erdenet Rail Terminal

Description: An enclosed, automated transloading system to support efficient truck unloading and high-speed rail wagon loading at a dedicated rail terminal to ensure the productivity and cost effectiveness of the road transportation and rail logistics. The facility will provide the Issuer with access to international markets via multiple potential ports of export.

Murun–Uliastai Highway

The Murun–Uliastai Highway Project includes the 190 km road between Ovoot and Murun, connecting the Ovoot deposit to the existing national highway network. Construction of this project is intended to be implemented under a public-private partnership (PPP) agreement to be signed by K and K Road LLC with the Government of Mongolia.

K and K Road LLC is a wholly owned subsidiary of the Issuer but following planned equity investment into this entity prior to raising project debt financing, the Issuer's holding will be diluted to a small minority.

K and K Road LLC plans to build, operate, and transfer (BOT) the Murun–Uliastai Highway Project over a 25-year term, and will pay for the construction and maintenance of this road through collection of toll fee revenue from vehicles using the road.

This is the first large-scale PPP project in the road sector of Mongolia and it will be significant in establishing the legal, regulatory, and government-payment framework for future infrastructure BOT projects.

Table 18. Overview of the Murun-Uliastai Highway Project

Indicator	Description
Investment Object	261.89 km paved, national-grade road
Route	Phase 1: Murun–Ompuu Pass 190.2 km Phase 2: Ompuu Pass–Tosontsengel 71.69 km
Location	Khuvsgul, Zavkhan aimags
Partnership Type	BOT, 25 years
Total Investment	USD 180.1 million (Phases I and II)
Debt Financing Requirement	USD 150.0 million
Government Support	USD 158.0 million, over 10 years
Source of Revenue	1. Toll fees payable by all road users, but principally coal trucks operated by Khurgatai Khairkhan LLC. 2. Schedule payments from the Government of Mongolia under the PPP agreement.
Project Status	Tender won, agreement terms finalized, ready to begin Phase I construction following execution of agreement.

Project Development Milestones to Date

Major technical studies and statutory approvals that have been conducted and obtained to support implementation of the Project plans include:

Table 19. Technical Studies and Regulatory Approvals Completed to Date

Year	Completed Studies and Approvals
2021	**Transportation Simulation:** Smedley's Engineers Pty Ltd completed detailed simulations to validate the transportation model, optimize fleet selection and support road design.
2022	**CHPP FEED[1]**: Sedgman Pty Ltd developed a process flowsheet and infrastructure design maximising yield and containing environmental impact.
	ERT FEED: O2 Mining & Engineering Limited (O2) developed a bespoke material handling solution for transloading coal from trucks to rail wagons.
	Infill Drilling: Conducted to improve geological confidence at the Starter Pit location, and support updated Coal Resource estimate, and geotechnical and hydrogeological studies.
2023	**CHPP FS[2]**: approved by MRPAM[3] on basis of design consistent with the previously completed FEED study.
	Mine DEIA[4]: Prepared by S.E.C LLC based upon the Mine FS, including for onsite coal processing and truck transportation, and approved by the MET.[5]
	Road FS: Prepared by ICT Sain Consulting LLC (ICT) for the 190.2 km section of road between Mogoin Gol and Murun and approved by the MRTD.[6]
	Junction FS: Prepared by Start Alliance LLC on trackwork required at the ERT to support coal transloading and export and approved by UBTZ[7] and the MRTD.
	Logistics Study: Sun Shine Peak LLC evaluated the plausibility and estimated costs of railing coal from the ERT to Target Market Regions in northern and northeastern China.
	Value in Use: Four independent Chinese coal and coke experts assessed the Ovoot coal as a 'scarce' #36 Metabituminous coal under Chinese standards and confirmed its value in use as a sought-after coke oven feed blend addition.
2024	**CHPP DEIA:** Prepared by Eco Bayalag LLC based upon the CHPP FS and approved by the MET.
	Road DD[8]: Prepared by ICT for the 190.2 km section of road between Ovoot and Murun in accordance with Mongolian road design standards, and approved by the MRTD.
	Road DEIA: Prepared by Ecologiin Buteemj LLC and approved by the MET on basis of DD prepared by ICT for construction and operation of the 190.2 km section of road between Ovoot and Murun.

	Target Market Analysis: Performed by Fenwei Digital Information Technology Co. Ltd. which highlighted a projected shortfall in supply of 'fat' coking coal and robust pricing for the Ovoot coal in Target Market Regions in northern and northeastern China.
	Transportation Hub & Rest Stop BED[9]: Prepared by O2 for the infrastructure required to enable transportation activities between the Ovoot CHPP and the ERT.
	Mine Infrastructure BED: Prepared by O2 for the infrastructure required onsite within the Ovoot mining license to enable project development and operation.
	Resource Estimate: Coal Resource estimate reported in accordance with JORC (2012) updated by SRK Consulting MGL LLC, confirming total Coal Resource of 219.4 Mt, with 99.5 Mt Measured, 100.9 Mt Indicated, and 19.0 Mt Inferred.
	Reserve Estimate: Coal Resource estimate reported in accordance with JORC (2012) updated by SRK Consulting MGL LLC, confirming total Coal Reserve of 130.1 Mt comprising 76.8 Mt Proved and 53.3 Mt Probable representing a significant improvement in confidence level.
2025	**ITR[10]:** Prepared by SRK Australasia Pty Ltd confirming the Projects economic viability as considered in the SRK Consulting MGL LLC JORC (2012) Coal Reserve Estimate.
	Mine Infrastructure DED[11]: Prepared by O2 Mining on the Phase 1 and Phase 2 support infrastructure required at the Ovoot coal mine to sustain planned operations, including for Mine Administration Centre, long-term Workshop/Warehouse and long-term Camp Accommodation including Wastewater Treatment Plant.
	Mine FS: Updated Mine FS prepared by Polaris Engineering Consulting LLC and approved by MRPAM based upon the Life-of-Mine Plan considered by SRK Consulting MGL LLC JORC (2012) Coal Reserve Estimate.
	Bypass FS: Prepared by Merato LLC and RCSC LLC on the Erdenet and Bulgan bypass roads and approved by the MRTD.
2026	**Reserve Estimate:** Coal Reserve estimate reported in accordance with JORC (2012) updated by Glogex Consulting LLC, incorporating revisions to planned operations including deferral of capital infrastructure and initial use of rental equipment, resulting in no change to the previously reported Coal Reserve estimate tonnages.
	ERT FS: Prepared by IBIO LLC on the combined coal transloading terminal infrastructure and trackwork and approved by the MRTD.
	Bypass DEIA: Prepared by Green Assessment LLC on the Erdenet and Bulgan bypass roads, currently pending approval from the MET.
	CHPP DED: Has progressed past the 50% Design Review stage with CCTEG.
	ERT DED: Has progressed past the 30% Design Review stage with CCTEG.

(1) Front-End Engineering Design
(2) Feasibility Study (statutory)
(3) Mineral Resources and Petroleum Authority of Mongolia
(4) Detailed Environmental Impact Assessment (statutory)
(5) Ministry of Environment and Tourism
(6) Ministry of Road and Transport Development
(7) Ulaanbaatar Tumur Zam JSC
(8) Detailed Design (statutory)
(9) Basic Engineering Design
(10) Independent Technical Report
(11) Detailed Engineering Design

Financial Performance of the Project

Approximately USD 70 million has been invested to date on development of the Project, with the investment recorded and reported as paid-in capital on the Issuer's balance sheet as of 31 December 2025. The cost model underpinning the current Coal Reserve estimate reported in accordance with JORC (2012) estimates that a further USD 149.2 million is required to complete construction of Phase 1 infrastructure for the Project, excluding the Murun-Uliastai Highway Project which is to be funded separately.

Of this, USD 61.2 million is expected to fall due prior to the commencement of coal production and sales, and USD 88.0 million is expected to fall due following the commencement of coal production and sales and be mostly paid for with revenue generated from operations. Working capital of a further USD 24.6 million is estimated required to support development operations up until production is commissioned. Capital for expansion of Phase 2 capacity is forecast to be funded by operating revenues.

This funding is planned to comprise USD 120 million in bonds across the two-part program (of which USD 60 million relates to this Prospectus) although the Issuer will also consider supplementing or replacing part of the required amount with other sources of debt, proceeds from advanced coal sales and, if needed, equity raise by its ultimate parent company.

Table 20. Phase 1 Investment to establish 2.5 Mtpa capacity infrastructure

Capital Item	Pre-Production	Post-Production	Total
Mining Infrastructure	6.6m	24.1m	30.7m
Processing Infrastructure (CHPP)	23.5m	35.4m	58.9m
Transportation Infrastructure	9.7m	10.4m	20.1m
Logistics Infrastructure (ERT)	17.5m	14.5m	32.0m
Equipment and Other	3.9m	3.5m	7.4m
Total	**61.2m**	**88.0m**	**149.2m**

3.9. About the Issuer's Market

3.9.1. Overview of Mongolia's Mining Sector

Over the past decade, Mongolia's economy has shifted from a traditional agricultural base to a more diversified structure dominated by mining. The main driver of this shift has been exports of strategic raw materials such as gold, copper, and cashmere, and among these, coal – particularly coking coal – has become one of the sectors making the largest contribution to national economic growth.

Mongolia is recognized as one of the 29 resource-rich developing countries identified by the International Monetary Fund.[4] In 2025, mining accounts for around 79% of Mongolia's total industrial output, of which the coal sector alone accounts for 30%.[5] In addition to generating foreign-currency inflows and budget revenue, coal has a direct impact on the transport and services sectors and on employment. In short, the performance of the coal sector is driving the Mongolian economy.

Mongolia's consolidated budget revenue reached MNT 13,510 billion (USD 3,778 million) in the first five months of 2026, an increase of MNT 2,129 billion (USD 595 million), or 18.7%, from the same period last year. In the first four months of 2026, revenue from the minerals sector contributed to the budget reached MNT 2,918 billion (USD 816 million), an increase of MNT 734 billion (USD 205 million), or 33.6%, from the same period last year (Source: National Statistics Office).

[4] Source: International Monetary Fund, Macroeconomic Policy Frameworks for Resource-Rich Developing Countries, IMF Policy Paper, August 24, 2012, Appendix 1, Table 1 (p.48). Available at: https://www.imf.org/external/np/pp/eng/2012/082412.pdf
[5] Source: National Statistics Office, Composition of Gross Industrial Output, by subdivision and by year. Available at: https://www.1212.mn/en/statcate/table-view/Industry,%20service/Industry/DT_NSO_1100_002V2.px

Table 21. Coal Deposits in Mongolia

Deposit Name	Company Name	Capacity (Mtpa)	Export Port
Tavan Tolgoi	Erdenes Tavan Tolgoi JSC	30	Gashuun Sukhait and Khangi
	Tavan Tolgoi JSC	15	
	Energy Resources LLC	15	
	Khangad Exploration LLC	10	
Nariinsukhait	South Gobi Sands LLC	9	Shiveekhuren
	Mongolyn Alt MAK LLC	8	
	Usukh Zoos LLC	3	
	Khuren Tolgoi Coal LLC	2	
Khushuut	Mo-En-Co LLC	2.5	Bulgan
Baganuur	Baganuur JSC	4	-
Shivee-Ovoo	Shivee-Ovoo JSC	2	-

Mongolia's average coal export price fluctuated sharply between 2020 and 2026. In 2020-2021, border crossings were closed due to the impact of COVID-19, sharply reducing export volumes. In 2022, amid the global energy crisis triggered by the conflict between Russia and Ukraine, Mongolia's average coal export price reached USD 204/t – its highest annual level over the 2020-2025 period – before easing in subsequent years (see Table 21). Note that the average price includes for all types of coal exported, including hard coking, semi-soft coking and thermal coals, and that most of the coal exported from Mongolia has been raw product that has not been improved and value added to by processing.

Table 22. Key Statistics of Mongolia's Total Coal Exports

Year	Export Volume (Mt)	Export Revenue (USD billion)	Average Price (USD/t)	Share to China (%)
2020	28.6	2.1	74	99%
2021	16.1	2.8	172	99%
2022	31.8	6.5	204	94%
2023	69.6	8.9	128	92%
2024	83.7	8.7	104	99%
2025	90.0	5.8	64	100%

Source: National Statistics Office

Coal Exports: In the first four months of 2026, Mongolia exported 39.1 Mt of coal worth USD 2,567 million, according to the National Statistics Office. This represents an increase of USD 731 million (39.8%) in value and 14.1 Mt (56.5%) in volume compared with the same period last year. Mongolia exported 100% of its coal to China during this period.

Types of Coal

Coal is classified by its properties into two main categories, 'coking' and 'thermal'. Coal is also classified into the following types depending on formation age and carbon content.

- Lignite: Often referred to as brown coal, is the lowest-rank form of coal and is characterised by relatively high moisture content, low carbon content and comparatively low energy value. It is geologically younger and less thermally mature than higher-rank coals and is generally used as a thermal fuel for electricity generation, typically close to the mine because its high moisture content can make long-distance transportation less economic.

- Sub-bituminous coal: A coal rank above lignite and below bituminous coal, having undergone a greater degree of coalification than lignite. It generally contains less moisture and has a higher carbon content and calorific value than lignite, while remaining lower in rank and energy content than bituminous coal. Sub-bituminous coal is principally used as a thermal coal for electricity generation and industrial heat production.
- Coking coal: also known as metallurgical coal, is coal possessing chemical and physical properties that enable it, when heated in the absence of oxygen, to soften, become plastic and subsequently resolidify into coke. Coke is principally used as a source of carbon and as a structural and reducing agent in blast-furnace steelmaking. Coking coal is therefore defined primarily by its metallurgical behaviour and quality characteristics rather than simply by coal rank and may include a range of bituminous coals with differing coking properties.
- Anthracite: is the highest-rank coal and is characterised by a high fixed-carbon content, low volatile-matter content and relatively high energy density. It is hard, lustrous and typically burns with comparatively little smoke and a short flame. Anthracite is used in applications including industrial heating, domestic heating, metallurgical processes and certain carbon-based products where its high carbon content and low volatile matter are advantageous.

Coal quality and market value are influenced by a range of characteristics, including ash, moisture, sulphur and phosphorus content, as well as calorific value and, for coking coals, metallurgical properties such as caking ability, fluidity and coke strength. In general, lower levels of impurities are preferred.

Coal washing and preparation can remove a significant proportion of the mineral matter and other impurities contained in run-of-mine coal, reducing ash and, in some cases, sulphur and phosphorus levels. For thermal coal, this can increase calorific value and improve combustion performance, while for coking coal it can improve the consistency and metallurgical quality of the product and its suitability for coke production.

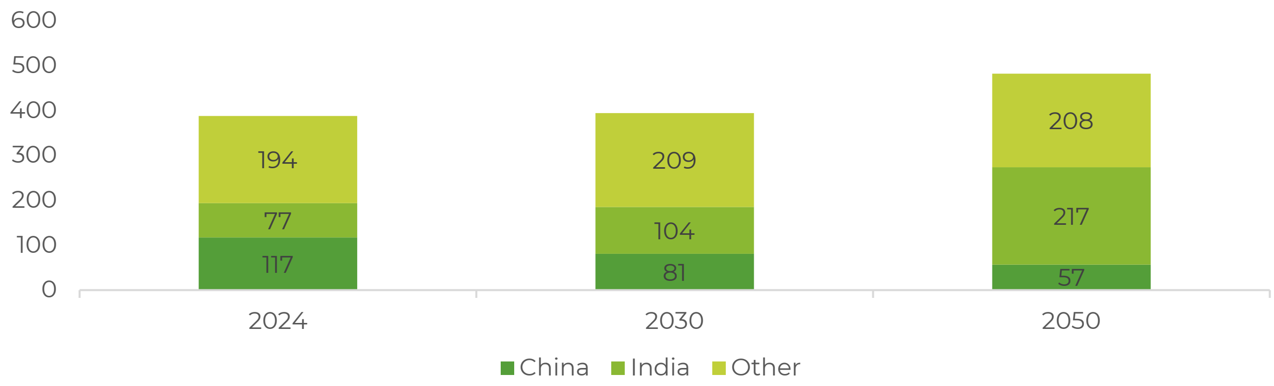
As a result, beneficiation can materially increase the quality, marketability and value of both thermal and coking coals.

3.9.2. The Coking Coal Market

Mongolia has coal reserves that are globally competitive in terms of thermal and coking qualities. The increase in production in 2024 was linked to a 20.3% increase in extraction of bituminous coal (coking, thermal, and semi-coking) and lignite, which together added MNT 721 billion (USD 200.5 million) in value to the national economy. Iron ore extraction also increased by 31.5%, adding MNT 550 billion (USD 152.8 million).

In 2025, mining-derived goods continued to account for around 90% of Mongolia's export structure, with copper ore accounting for 36.9%, coal 35.6%, and gold 7.1% of mining exports, while other products such as iron ore (4.2%) and livestock-derived raw materials (2.1%) accounted for relatively smaller shares.

Chart 5. Global Demand for Coking Coal (Mt)



Source: IEA, Coal Mid-Year Review 2025

According to the International Energy Agency (IEA), global coking coal trade reached a historic high of 369 Mt in 2024, led by Australia at 153 Mt, with Mongolia ranking second at 56 Mt (which was directed solely to the Chinese market). The Australian Government Department of Industry, Science and Resources estimates that global metallurgical coal trade was approximately 341 Mt in 2025 and forecasts trade to increase to 347 Mt in 2026, an increase of approximately 1.8%, and to 356 Mt by 2028, approximately 4.4% above 2025 levels. This provides Mongolian coal producers opportunity to continue to strengthen Mongolian's market position and further increase supply volumes.

According to the World Steel Association, more than 70% of global steel production still relies on blast-furnace technology, which requires coking coal. Although green steel, based upon use of hydrogen and electric arc furnace technologies, is increasing, the bulk of global steel production is expected to continue to rely upon traditional blast-furnace production methods for the next 10-20 years. Infrastructure construction, urbanization, and industrial growth in China, India, and Southeast Asian countries continue to support increasing demand for steel and thus coking coal.

India is expected to become the world's fastest-growing steel producer over the next decade, increasing its demand for coking coal imports. Growth potential in the thermal coal market, by contrast, is relatively limited. According to IEA projections, global coal demand is expected to stabilize at around 5,710 Mt by 2030, although the share used in power generation is projected to fall from 35% in 2024 to 27% in 2030, reflecting the growth of renewable energy and policies to reduce carbon emissions. Accordingly, while growth in thermal coal is expected to be limited, demand for coking coal is expected to remain relatively stable over the medium to long term.

Short-term price volatility depends heavily on market sentiment. In the first half of 2026, coking coal prices moved in a 'V' shape: the actively traded futures contract on the Dalian Commodity Exchange (DCE) briefly fell below CNY 1,000/t in January, then rose sharply by around 8% in late May amid concerns over a supply disruption following a mine accident in Shanxi province, before falling again as production recovered. However, average blast-furnace hot-metal output remained stable at around 2.4 Mt/day, indicating that downstream demand remains robust.

Mongolia has competitive advantages to supply coal to China, on basis of its geographic proximity and strong diplomatic relations. These factors mean Mongolia remains a strategically significant player in the region's coking coal market in terms of reserves, production, and export volume, and stable demand conditions are creating real market opportunity and a stable sales window for new supply sources such as the Issuer's Ovoot project.

3.9.3. Target Market

China is the world's largest coal consumer and importer, and stable demand from its steel industry combined with a shortage of domestic supply of fat (coking) coal keeps import demand high, creating favourable conditions for Mongolia's coking coal exports.

According to China's General Administration of Customs, coking coal supplied from Mongolia to China has increased from 14.0 Mt in 2021 to 60.1 Mt in 2025. At the same time, Mongolia's share of China's coking coal imports rose from 26% in 2021 to 51% in 2025, firmly establishing Mongolia as China's largest supplier of coking coal.

In 2025, Mongolia supplied 60.1 Mt of coking coal to China comprising 51% of its total coking coal imports, up 5.8% year-on-year, cementing its lead as China's top supplier. China's overall coking coal imports fell 3.0% to 120 Mt, with the average import price down 50% to USD 101.7/t, while the US share collapsed from 9% to 2% amid new tariffs, further strengthening Mongolia's position.[6]

In 2025 the total quantity of all types of coal supplied from Mongolia to China reached 89.0 Mt, slightly exceeding supply from Russia (88.9 Mt), placing Mongolia second among all countries in terms of quantity of all coals supplied to China.

Considering the quality characteristics, transport distance, transport cost, and coal consumption structure of coke and steel production regions in China for the washed Ovoot coking coal to be produced by the Issuer, a 2024 study by Fenwei Digital Information Technology Co., Ltd. (**"Fenwei"**) concluded that the following Target Market Regions within China were the most economically attractive:

- Inner Mongolia, with focus on the Wuhai prefecture;
- Hebei Province, with focus on the Tangshan prefecture; and
- Northeast China, including in the provinces of Heilongjiang, Jilin and Liaoning.

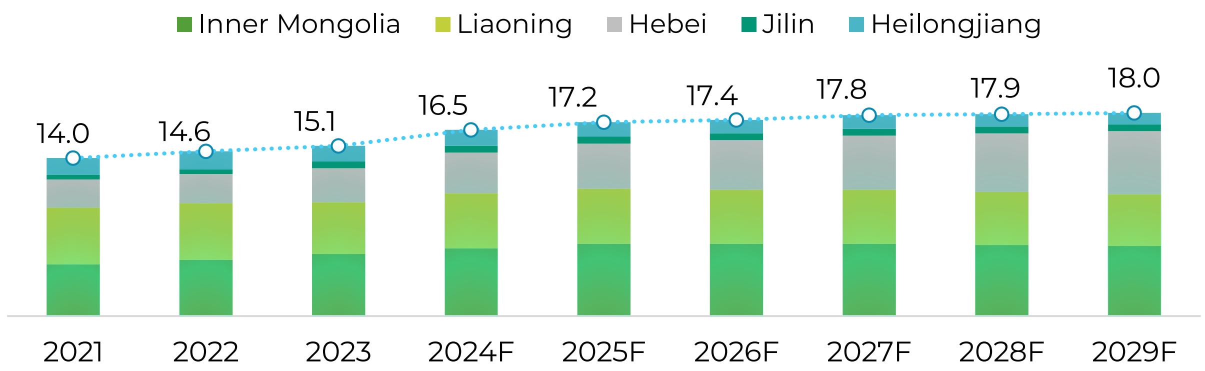
These regions were identified as having the highest sales potential for Ovoot coal due to China's concentration of steel production, coal consumption structure, import dependence, and limitations on domestic coal quality.

[6] Source: Review: China's 2025 coking coal imports in V-shaped trend; Mongolia & Russia maintain dominance - Sxcoal. Available at: https://en.sxcoal.com/news/detail/2013903246337445890

Figure 5. Map of the Target Market Figure

Source: Fenwei research, 2024

Chart 6. China's Coking Coal Demand 2021-2029



Source: Fenwei research, 2024

Demand in the northeastern Chinese provinces of Heilongjiang, Jilin, and Liaoning is concentrated mainly in Liaoning province, with the main consumers being Bensteel, Ansteel, and Jianlong Group. Due to a shortage of locally produced fat coal, these regions purchase large volumes of fat coal from Shanxi province and other sources. The Issuer is well placed to supply Ovoot coal competitively to these regions, in preference to coals supplied from the deep underground mines of Shanxi and more distant Russian mines.

Quality Advantages of Ovoot Coal and Market Fit

According to the analyses and evaluations completed by a panel of independent Chinese coking coal and coke industry experts coordinated by SGS-CSTC Standards Technical Services (Tianjin) Co. Ltd. (**"SGS Tianjin"**), marketing samples representative of washed coal from Ovoot were classified under Chinese standard GB/T 5751-2009 *'Classification of*

Chinese Coals' as a #36 Metabituminous coal, more commonly referred to as 'FM36' or 'fat' coking coal. Fat coking coals are a rare type of coking coal with unique coking properties, including high dilatation and wide plastic range. The fat coal from Ovoot has some advantage over other fat coals in the Target Market Regions on account of its lower ash and moderate sulphur content.

Table 23. Quality Comparison with fat coking coals in the Target Market Regions

Type	Mt (%)	Ad (%)	Vdaf (%)	St,d (%)	G	Y (mm)	RoMax (%)
	Total Moisture	Ash Content	Volatile Matter	Total Sulphur	Caking Index	Plastic Layer	Max Mean Reflectance
Wuhai Fat Coal	5.1	11	32	1.80	88	26	1.1
Linfen Fat Coal	5.1	8	34	1.30	85	27	0.9
Luliang Fat Coal	9.9	10	33	0.68	96	33	1.2
Kailuan Fat Coal	5.8	11	34	1.00	95	24	1.0
Handan Fat Coal	7.0	10	30	0.60	93	30	1.1
Ovoot Fat Coal	**10.0**	**9.06**	**30.5**	**1.11**	**95+**	**25+**	**1.28**

Source: Fenwei research

Comparison of these quality parameters demonstrate that Ovoot coal is competitive as a blending coal for Chinese steel mills and is well matched to market demand.

Supply-Demand Gap for Coal in Target Regions

According to Fenwei research, demand for fat coal supply in the recommended Target Market Regions for Ovoot fat coking coal was 16.4 Mt in 2024, a figure projected to rise to 18.1 Mt by 2029.

Table 24. Coal Consumption in the Target Market

Target Market Region	Total Annual Coking Coal Consumption (Mt)	Annual Provincial Fat Coal Shortage (Mt)
Inner Mongolia (Wuhai)	35-40	3-4
Hebei (Tangshan)	70-80	6-7
Liaoning, Jilin, Heilongjiang	45-50	5-6

Source: Fenwei research, 2024

The price of fat coal in the Issuer's Target Market Regions depends heavily on demand, supply, quality, inflation, and the legal and regulatory environment. Overall, China faces a domestic supply shortfall. Also, its goal of reaching carbon neutrality by 2030 is reducing the ability to attract investment in new mine projects, further constraining supply. Import demand is expected to rise, and prices may stabilize once the market reaches equilibrium.

3.9.4. Conclusion

Mongolia's mining sector remains the main source of economic growth, export revenue, and budget revenue, and coal, particularly coking coal, holds a strategic position in the sector's structure. Legal and regulatory reforms supporting stable growth in the mining sector, together with implementation of major infrastructure projects, are increasing the sector's competitiveness and improving the investment environment.

Stable global demand for steel production, the shortage and expense of domestic fat coal supply in China, and constrained investment in new mines due to carbon-neutrality targets are further expanding Mongolia's coking coal export opportunities. According to Fenwei's 2024 research, the fat coal supply shortfall in China's target regions was 16.4 Mt in 2024 and is expected to reach 18.1 Mt by 2029, a factor that will continue to drive import demand higher.

Washed fat coal from Ovoot has advantages over domestic Chinese fat coals in key quality metrics such as ash, sulphur, and G-index, and is supportive of the blending-coal requirements of coke producers. Competitive cost mine gate costs, efficient and reliable transportation, and a stable upward trend in border sale prices are improving the market prospects for the Ovoot coal.

According to Fenwei's findings, selling the Ovoot fat coal in China's concentrated steel-production regions such as Inner Mongolia, Hebei, and Liaoning is the most economically optimal approach, and the persistent supply shortfall in these regions creates a long-term, stable sales window for the Issuer's product. Market capacity in the northeastern Chinese provinces of Heilongjiang and Jilin is relatively smaller but still offers some sales potential.

These conditions make financing of the Ovoot coal processing and transport infrastructure (CHPP and ERT) economically justified and support the stability of the revenue stream for the project to be financed with bond proceeds. The Ovoot project is therefore a strategically significant, high-market-potential project aligned with the growth of Mongolia's mining sector, regional coal demand, and the supply structure of China's steel industry.

3.10. Financial Statements of the Issuer

3.10.1. Statement of Financial Position

The Issuer's total assets grew from MNT 64,013 million in 2022 to MNT 110,024 million in 2025, an average annual growth rate of 19.8% over the past three years. Exploration and evaluation assets dominate the asset structure, accounting for MNT 66,262 million, or 60.2% of total assets, as of the end of 2025. As these assets have not yet generated revenue and represent capitalized costs for future extraction and production, their real value depends directly on the successful implementation of the Project, and asset quality is linked to project execution risk.

In 2025, fixed assets increased sharply from MNT 159 million to MNT 5,804 million, reflecting the new recognition of MNT 5,701 million in buildings and structures, related to the start of project construction work. Accounts receivable also increased from MNT 1,733 million to MNT 9,172 million, and prepaid expenses increased from MNT 2,112 million to MNT 12,770 million, related to construction contracts and procurement.

Table 25. Statement of Financial Position of the Issuer

MNT million	2022	2023	2024	2025
Assets				
Current Assets				
Cash and Cash Equivalents	11,027	21,428	15,225	14,834
Accounts Receivable	310	967	1,733	9,172
Tax and Social Insurance Receivable	-	-	349	1,130
Prepaid Expenses	940	1,295	2,112	12,770
Other Current Assets	-	61	-	-
Total Current Assets	**12,276**	**23,750**	**19,419**	**37,905**
Non-Current Assets				
Fixed Assets	375	195	159	5,804
Intangible Assets	199	160	77	51
Long-Term Investments	-	-	2	2
Exploration and Evaluation Assets	51,163	56,508	60,420	66,262
Total Non-Current Assets	**51,737**	**56,863**	**60,658**	**72,119**
TOTAL ASSETS	**64,012.68**	**80,614**	**80,077**	**110,024**
LIABILITIES AND EQUITY	-	-	-	-
Accounts Payable	423	388	220	326
Salary Payable	120	14	1	-
Tax Payable	21	18	62	1,105
Social Insurance Payable	2	0	-	-
Other Short-Term Liabilities	202,966	220,294	221,230	4,979
Total Short-Term Liabilities	**203,532**	**220,715**	**221,513**	**6,410**
Equity	-	-	-	-
Paid-in Capital	425	425	425	249,579
Retained Earnings	(139,944)	(140,526)	(141,861)	(145,965)
Total Equity	**(139,520)**	**(140,101)**	**(141,437)**	**103,614**
TOTAL LIABILITIES AND EQUITY	**64,013**	**80,614**	**80,077**	**110,024**

Accounts Payable: as of December 31, 2025, the total accounts payable of Khurgatai Khairkhan LLC amounted to MNT 326 million. This liability consisted of accumulated costs relating to contracted services connected to the Company's core operations, audit services, and work performed.

Accounts Receivable: as of December 31, 2025, the total accounts receivable balance was MNT 9,172 million, comprising other receivables, interest receivables, employee advances, and intercompany receivables.

Table 26. Issuer's Detailed Accounts Payable and Receivable, in MNT million

	Amount	Detail
Accounts Payable	326	Including MNT 214 million under the MIA DED contract concluded with O2 Extraction LLC, MNT 63 million in accrued KPMG audit fees (transferred following issuance of the KPMG audit report in 2026), MNT 21 million in accrued fees to BGC Defence, MNT 7 million related to Mongol Express LLC, and MNT 5 million in accrued Olziit audit fees.
Tax Payable	1,430	As of December 31, 2025, Khurgatai Khairkhan LLC had a tax-related liability balance of MNT 1,104 million. This liability arose from a VAT refund relating to the first advance payment under the EPC contract with CCTEG-IEC, and this liability was settled in January 2026.
Accounts Receivable	9,172	This includes MNT 14 million relating to a contract with Gerelt Tsogtsolbor LLC, interest receivable of MNT 42 million on a term

		deposit at Bogd Bank, MNT 18 million in employee advances, and MNT 8,923 million in intercompany and other receivables.

As of the time that this Securities Prospectus was prepared, the Issuer had no outstanding loan balance from any bank or financial institution.

Table 27. Issuer's Reference Information, as of July 2026

Type	Information
Tax	As of July 3, 2026, according to the tax certificate, there is an overpayment of MNT 145 million. No liabilities outstanding.
Social Insurance	As of July 3, 2026, there are no outstanding social insurance contribution liabilities.
Credit Information Database	The Issuer confirms it has no overdue or unpaid loans recorded in the BurenScore* credit information database. **BurenScore is a company that provides credit information services*

3.10.2. Income Statement

The Issuer does not yet have regular sales revenue, having generated only minor revenues in 2023-2024 as result of is Green Fodder Program, with no revenue in other years. As a result, profitability and turnover ratios are of limited relevance, and the Issuer is regarded as a pre-production stage project developer.

Table 28. Income Statement of the Issuer

MNT million	2022	2023	2024	2025
Sales Revenue (Net)	**-**	**97**	**159**	**-**
Cost of Sales	**-**	**84**	**364**	**-**
Gross Profit	**-**	**13**	**(205)**	**-**
Interest Income	261	873	1,116	372
Other Income	0	-	1,037	**-**
Foreign Exchange Gain (Loss)	(32,483)	2,010	(632)	(9,901)
Gain (Loss) on Disposal of Fixed Assets	(0)	15	-	-
Other Gain (Loss)	-	(270)	-	7,719
Finance Costs	1	-	-	-
General and Administrative Expenses	1,970	3,097	1,882	2,156
Other Expenses	38	38	833	80
Profit (Loss) Before Tax	**(34,232)**	**(494)**	**(1,398)**	**(4,046)**
Income Tax	26	87	130	47
Net Profit (Loss)	**(34,259)**	**(582)**	**(1,528)**	**(4,093)**
Annual Growth of Exploration Assets	10.6%	10.4%	6.9%	9.7%

3.10.3. Statement of Cash Flows

The Issuer's operating cash flow was negative in all years, reflecting the fact that the Company's core business has not yet begun and that expenditures relate to construction and start-up activities.

The Issuer's capital expenditure (CAPEX) increased in 2025, reaching MNT 21,230 million, reflecting increased purchases of fixed and intangible assets indicating that project development had commenced.

Table 29. Historical Cash Flow Statement of the Issuer

(MNT million)	2022	2023	2024	2025
Cash Flow from Operating Activities				
Cash Inflow	**0**	**191**	**160**	**-**
Revenue from Sale of Goods and Services	-	81	159	-
Insurance Compensation Received	0	-	2	-
Other Cash Income	0	110	-	-
Cash Outflow	**3,223**	**4,349**	**6,749**	**2,313**
Payments to Employees	1,656	1,048	1,035	777
Payments to the Social Insurance Authority	492	645	365	192
Payments for Operating Expenses	2	1	35	3
Payments for Fuel, Transport, and Spare Parts	15	-	-	
Interest Paid	1	-	-	
Payments to Tax Authorities	241	488	161	99
Insurance Payments	47	6	1	24
Other Cash Payments	769	2,162	5,152	1,219
Net Cash Flow from Operating Activities (CFO)	**(3,223)**	**(4,158)**	**(6,589)**	**(2,313)**
Cash Flow from Investing Activities				
Cash Inflow	**124**	**207**	**661**	**841**
Proceeds from Sale of Fixed Assets	-	15	-	-
Repayment of Loans and Advances Extended to Others	49	-	-	-
Interest Income Received	75	192	661	841
Cash Outflow	**3,856**	**4,703**	**68**	**22,071**
Payments for Acquisition of Fixed Assets	82	15	68	16,640
Payments for Acquisition of Intangible Assets	95	73	-	100
Payments for Acquisition of Investments	-	-	-	-
Payments for Acquisition of Other Long-Term Assets	3,679	4,615	-	5,331
Loans and Advances Extended to Others	-	-	-	-
Net Cash Flow from Investing Activities	**(3,731)**	**(4,496)**	**593**	**(21,230)**
Cash Flow from Financing Activities				
Cash Inflow	**6,522**	**18,929**	**-**	**22,568**
Proceeds from Loans and Debt Securities Issued	6,522	18,929	-	22,568
Cash Outflow	**103**	**-**	**-**	**-**
Payments on Loans and Debt Securities	103	-	-	-
Net Cash Flow from Financing Activities	**6,419**	**18,929**	**-**	**22,568**
Effect of Exchange Rate Changes	2,042	126	(208)	583
Net Change in Cash	1,507	10,401	(6,204)	(392)
Cash and Cash Equivalents, Beginning of Period	9,520	11,027	21,428	15,225
Cash and Cash Equivalents, End of Period	**11,027**	**21,428**	**15,225**	**14,834**

4 FINANCIAL PROJECTIONS OF THE SECURITIES ISSUER

4.1. Financial Plan

The financial projections have been prepared by the underwriter based on the cost model prepared by Glogex Consulting LLC as part of determining the current Coal Reserve estimate reported in accordance with JORC (2012) for the Ovoot Coking Coal Project, prepared as of 31 March 2026.

The Issuer's coal production, processing, transportation and sales operations are planned to begin in the fourth quarter of 2027, with mine development, infrastructure construction including CHPP, Transportation Hub, ERT and Road to be implemented between now and then to support operations.

4.1.1. Projected Income Statement

The Issuer's revenue will be generated almost wholly through the sale of washed fat coking coal. The Coal Resource estimate reported in accordance with JORC (2012) was based on the assumption that washed fat coking coal produced from the Ovoot deposit could be sold at US$230/t DDP Erlian (Delivered Duty Paid, Incoterms® 2020), in alignment with forecasts estimated by Fenwei.

Table 30. Projected Income Statement of the Issuer

USD '000	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**
Sales	-	37,252	315,104	350,140	386,155	457,454
COGS	-	35,598	152,875	166,227	182,009	223,808
Gross income	**-**	**1,654**	**162,228**	**183,913**	**204,146**	**233,646**
Gross margin	*0%*	*4%*	*51%*	*53%*	*53%*	*51%*
Operational expenses	6,303	8,229	14,494	20,160	20,175	21,716
EBITDA	**(8,703)**	**(8,975)**	**147,735**	**163,753**	**183,971**	**211,930**
EBITDA margin	*0%*	*-24%*	*47%*	*47%*	*48%*	*46%*
D&A	393	2,206	3,149	5,224	8,520	11,993
Financial cost	1,800	12,600	12,600	1,800	-	-
Earning (loss) before tax	**(10,896)**	**(23,780)**	**131,985**	**156,728**	**175,451**	**199,936**
Tax expense	-	-	16,917	38,932	43,613	49,734
Net income	**(10,896)**	**(23,780)**	**115,068**	**117,796**	**131,838**	**150,202**
Net income margin	*0%*	*-64%*	*37%*	*34%*	*34%*	*33%*

4.1.2. Projected Statement of Financial Position

Over the period between 2026 and 2031, the Issuer's total assets are projected to grow at an average compound annual growth rate (CAGR) of 30%. This growth will be driven mainly by increases in cash, fixed assets, and inventory, while on the funding side, retained earnings, bond proceeds, and deferred payments will be the main sources.

The Projected Statement of Financial Position has been prepared on assumption that USD 120 million will be raised through issuance of OTC bonds in 2026 and 2027.

This will increase the level of liabilities in the initial years; however, as extraction and sales stabilize, operating profit will increase and the debt burden will gradually decrease. The financial projections assume the bond principal will be fully repaid within 2031.

The Issuer plans to raise USD 60 million in bond financing in 2026 and, in line with progress of project construction, may seek to raise a further USD 60 million in bond financing in 2027. The success of the initial bond issuance, potential coal pre-sales, or on account of funding from Aspire Mining Limited following an equity raise (subject to the success of the bond issuances, and prevailing market conditions).

Table 31. Projected Statement of Financial Position

USD '000	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**
Assets						
Current Assets						
Cash and Cash Equivalents	15,372	29,587	59,686	70,642	197,149	317,424
Accounts Receivable	2,293	2,022	17,187	19,186	21,159	25,060
Tax and Social Insurance Receivables	282	1,845	1,956	2,073	2,197	2,329
Inventory	-	5,813	7,540	8,389	6,653	7,105
Prepaid Expenses	4,618	1,328	1,395	1,465	1,538	1,615
Other Current Assets	-	1,181	10,065	11,204	12,357	14,635
Total Current Assets	**22,565**	**41,776**	**97,828**	**112,959**	**241,053**	**368,169**
Non-Current Assets						
Property, Plant, and Equipment	37,758	62,900	97,886	146,610	156,873	192,896
Intangible Assets	12	17,804	17,210	16,637	16,082	15,546
Long-term Investments	1	1	1	1	1	1
Exploration and Evaluation Assets	18,406	-	-	-	-	-
Total Non-Current Assets	**56,177**	**80,704**	**115,097**	**163,247**	**172,956**	**208,443**
TOTAL ASSETS	**78,742**	**122,480**	**212,925**	**276,206**	**414,009**	**576,612**
Liabilities and Equity						
Current Liabilities						
Accounts Payable	535	5,852	25,062	27,325	29,919	36,790
Employee Payables	-	37	315	350	386	457
Tax Payables	321	530	1,706	3,004	4,430	6,114
Social Insurance Payables	-	1,845	15,726	17,507	19,308	22,868
Short-term Loans	-	60,000	60,000	-	-	-
Other Current Liabilities	-	111	944	1,050	1,158	1,372
Total Current Liabilities	**856**	**68,375**	**103,752**	**49,237**	**55,202**	**67,602**
Non-Current Liabilities						
Long-term Loans	60,000	60,000	-	-	-	-
Total Non-Current Liabilities	**60,000**	**60,000**	**-**	**-**	**-**	**-**
Equity	-	-	-	-	-	-
Share Capital	69,327	69,327	69,327	69,327	69,327	69,327
Retained Earnings	(51,442)	(75,222)	39,846	157,642	289,480	439,682
Total Equity	**17,886**	**(5,895)**	**109,173**	**226,969**	**358,808**	**509,010**
TOTAL LIABILITIES AND EQUITY	**78,742**	**122,480**	**212,925**	**276,206**	**414,009**	**576,612**

4.1.3. Projected Cash Flow Statement

The cash flow projections have been prepared based on the Project's cost model developed by Glogex Consulting LLC underlying its current JORC (2012) Coal Reserve estimate. As construction work will dominate in 2026-2027, the Issuer is not expected to generate operating revenue during this period, and a total net loss of approximately USD 34.6 million is projected for this period.

Total investment costs over the financial model projection period are estimated at USD 221.5 million. Once operations begin and cash flow stabilizes, subsequent investment phases – including the investment to expand mining and processing capacity to 5.0 Mtpa and saleable production to approximately 4.0 Mtpa – are projected to be financeable primarily from the Project's operating cash flow.

The financial projections assume bond principal repayments of approximately USD 60 million per year starting in 2028, and bond interest payment reflected in the income statement. The financial model assumes an average bond maturity period of two years, resulting in full repayment of the bond by 2029.

Table 32. Projected Cash Flow Statement

USD '000	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**
Cash Flows from Operating Activities						
Net Profit	(10,896)	(23,780)	115,068	117,796	131,838	150,202
Non-cash expense adjustments						
Depreciation Expense	393	2,206	3,149	5,224	8,520	11,993
Changes in working capital						
Changes in Accounts Receivable	255	271	(15,165)	(1,999)	(1,973)	(3,901)
Changes in Tax and Social Insurance Receivables	31	(1,563)	(111)	(117)	(124)	(132)
Changes in Inventory	-	(5,813)	(1,727)	(849)	1,737	(452)
Changes in Prepaid Expenses	513	3,289	(66)	(70)	(73)	(77)
Changes in Other Current Assets	-	(1,181)	(8,884)	(1,140)	(1,152)	(2,278)
Changes in Accounts Payable	444	5,317	19,210	2,264	2,594	6,871
Changes in Employee Payables	-	37	278	36	36	71
Changes in Tax Payables	14	209	1,176	1,298	1,426	1,684
Changes in Social Insurance Payables	-	1,845	13,881	1,781	1,801	3,560
Changes in Other Short-term Liabilities	(1,383)	111	833	107	108	214
Net Cash Flow from Investing Activities (CFO)	**(10,629)**	**(19,052)**	**127,642**	**124,330**	**144,736**	**167,755**
Cash Flows from Investing Activities						
Cash Inflows	**-**	**-**	**-**	**11**	**-**	**-**
Sale of Property, Plant, and Equipment	-	-	-	11	-	-
Cash Outflows	**38,120**	**26,733**	**37,542**	**53,386**	**18,229**	**47,480**
Payments for Acquisition of Property, Plant, and Equipment	38,120	26,733	37,542	53,386	18,229	47,480
Net Cash Flow from Investing Activities (CFI)	**(38,120)**	**(26,733)**	**(37,542)**	**(53,375)**	**(18,229)**	**(47,480)**
Cash Flows from Financing Activities						
Cash Inflows	**60,000**	**60,000**	**-**	**-**	**-**	**-**
Borrowings and Issuance of Debt Securities	60,000	60,000	-	-	-	-
Sale of Property, Plant, and Equipment Issuance of Share Capital	-	-	-	-	-	-
Cash Outflows	**-**	**-**	**60,000**	**60,000**	**-**	**-**
Repayments of Borrowings and Debt Securities	-	-	60,000	60,000	-	-
Net Cash Flow from Financing Activities (CFF)	**60,000**	**60,000**	**(60,000)**	**(60,000)**	**-**	**-**
Foreign Exchange Differences	-	-	-	-	-	-
Net Increase (Decrease) in Cash	11,251	14,215	30,100	10,955	126,507	120,276
Cash and Cash Equivalents at Start of Period	4,120	15,372	29,587	59,686	70,642	197,149
Cash and Cash Equivalents at End of Period	**15,372**	**29,587**	**59,686**	**70,642**	**197,149**	**317,424**

The financial projections above show that the Issuer can fully fund project construction using proceeds from the issuance of OTC bonds in combination with deferred payment terms from key vendors.

As operations begin in the fourth quarter of 2027 and extraction and sales volumes increase in stages, operating cash flow is expected to stabilize, improving the Issuer's debt-servicing capacity, with profitability and equity projected to grow steadily.

Accordingly, while investment and financing needs will be high in the early years of project implementation, cash flow generated from operations is expected to become the primary source of funding for both investment needs and debt repayment over the medium term.

5 PARTIES INVOLVED IN THE SECURITIES OFFERING

5. PARTIES INVOLVED IN SECURITIES OFFERING

5.1. Introduction of the Underwriter

Tenger Capital	TENGER CAPITAL SECURITIES LLC
State Registration Number	9011117009
Registration Number	5157234
Field of Operation	Underwriting, Brokerage, Investment Advisory
Address	Suite 1401, 14th Floor, New Horizon Office, Olympic Street, 1st khoroo, Sukhbaatar district, Ulaanbaatar, MONGOLIA.
Phone	+976-7711-0272
Website	https://tengercapital.mn/
Email	info@tengercapital.mn

Tenger Capital Securities LLC is an organization with a skilled team specialized in sustainable and green finance, investment, and project financing, and since its establishment in 2007 has taken part in major projects and transactions across sectors including banking and finance, healthcare, trade, manufacturing, oil, mining, construction, and technology.

On July 3, 2026, Tenger Capital Securities LLC signed Underwriting Services Agreement № 26/11 with the Issuer, under which it will organize the raising and trading of a closed debt instrument on the over-the-counter market in the amount of USD 60.0 million.

5.2. Introduction of the Audit Organization

"Өлзийт экаунт аудит" ХХК	**Olziit Account Audit LLC**
State Registration Number	9018001063
Registration Number	5490677
Field of Operation	Audit Activities
Address	Suite 01, Building 65, Bumtsend Street, 6th khoroo, Chingeltei district, Ulaanbaatar, MONGOLIA.
Phone	+976-70130460
Email	auditulziit@gmail.com

Olziit Account Audit LLC provides audit, accounting, and internal control advisory services, and has operated continuously since being established in 2011 and obtaining its audit license in 2013.

Audit Opinion. Olziit Account Audit LLC audited the Issuer's statement of financial position, statement of comprehensive income, statement of changes in equity, and statement of cash flows as of December 31, 2025, together with related notes and accounting policies, and provided an audit opinion on whether they were fairly and accurately presented in accordance with International Financial Reporting Standards (IFRS) and the laws, rules, and regulations applicable in Mongolia.

The independent auditor's opinion concluded: *"In our opinion, these financial statements fairly present, in all material respects, the financial position of Khurgatai Khairkhan LLC as of December 31, 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS and the laws, rules, and regulations applicable in Mongolia."*

License. Olziit Account Audit LLC obtained its audit license on March 1, 2024. It is a company registered with the Financial Regulatory Commission.