GENERAL INFORMATION FOR INTERESTED PARTIES WISHING TO INVEST IN AND COOPERATE ON THE COPPER CONCENTRATE SMELTING AND REFINING PLANT PROJECT

1	Project Title	Copper Concentrate Smelting and Refining Plant
2	Project Raionale	In alignment with Mongolia's long-term development policy *Vision-2050*, the *Regional Development Concept of Mongolia*, the Five-Year *General Guidelines for Mongolia's Development for 2026–2030*, the *New Recovery Policy*, and the *Government Action Plan of Mongolia for 2024–2028*, a copper concentrate smelting and processing plant shall be established within the industrial and technology park based on Erdenet Mining Corporation SOE."
3	Brief Information on the Project Proponents	**"Erdenes Mongol" LLC:** Erdenes Mongol is the parent company of the Erdenes Mongol Group and is a wholly state-owned enterprise, with its shares held by the Government of Mongolia. It consolidates Mongolia's state-owned mining companies and operates with 18,500 employees and 32 subsidiaries, managing the exploration, development, and production activities of strategically significant mineral deposits under an integrated management structure. The company holds 69 mining licenses and 19 exploration licenses, and controls 22% of Mongolia's registered coal reserves, 38% of copper reserves, 22% of fluorspar reserves, and 15% of iron ore reserves, contributing approximately 30% of Mongolia's total export revenue. **"Erdenet Mining Corporation" SOE:** Erdenet Mining Corporation is a legal entity within the Erdenes Mongol Group that annually mines 40.0 million tonnes of ore and produces 560.0–600.0 thousand tonnes of copper concentrate and 6.0 thousand tonnes of molybdenum concentrate for export. The Erdenetiin Ovoo deposit, owned by Erdenet Mining Corporation SOE, contains 2.9 billion tonnes of ore with 10.4 million tonnes of copper and 499.0 thousand tonnes of molybdenum, and will serve as the raw material supplier for the copper concentrate smelting and processing plant. **"Copper Processing Complex" LLC:** Pursuant to Government Resolution No. 185 of 2024 of Mongolia, "Copper Processing Complex" LLC was established as a subsidiary of "Erdenes Mongol" LLC to be responsible for implementing the copper concentrate smelting and processing plant project.
4	Contact details	Erdenes Mongol LLC, 1st Khoroo, Chingeltei District, Ulaanbaatar 15160, Mongolia Telephone: (976) 7000 1272 /Copper Processing Complex LLC/ Email address: info@cpc.mn
5	Project location	The Project will be implemented within an area of **1,217.4 hectares** designated for a production and technology park, located in the territories of **Bayan-Undur and Jargalant soums of Orkhon Province**, which has been taken under **special state needs** pursuant to Government Resolution No. 171 of 2022.
6	Project objectives	- To support Mongolia's economic growth - To process copper concentrate and produce value-added products and by-products - To introduce and localize scientific and technological advancements and high technologies into production - To construct and commission an environmentally low-impact industrial facility - To develop the production of next-stage, high-technology value-added products - To create jobs at the local level and to train qualified professionals
7	Deadline for Submission of Proposals	Proposals will be accepted **until 15 January 2026**.
8	Summary of	The total project investment, as per the approved Feasibility Study (FS), is 773

<table>
<tr><td></td><td>Feasibility Study (Technical and Economic Justification)</td><td>million USD (seven hundred seventy-three million United States dollars).
This total investment includes:
- Direct and indirect investment costs;
- Contingency costs;
- Interest during construction; and
- Working capital requirements.
The total investment amount may be subject to revision following the completion of the detailed engineering design.</td></tr>
<tr><td>9</td><td>Plant Feedstock (Raw Materials)</td><td>Basic raw materials: Copper concentrate produced by “Erdenet Mining Corporation” SOE.

Auxiliary Raw Materials and Supplies
Auxiliary raw materials and supplies as set out in the Feasibility Study for the Copper Concentrate Smelting and Refining Plant (such as fluxes, coal, etc.).
General Characteristics of Erdenet Copper Concentrate
- Moisture: approximately 10%
- Particle size: 0.074 mm
Average Chemical Composition of Copper Concentrate (as of 2024)

<table><tr><td>Element</td><td>Cu</td><td>Fe</td><td>S</td><td>SiO2</td><td>CaO</td><td>MgO</td></tr><tr><td>%</td><td>22.3</td><td>29.07</td><td>34.91</td><td>8.00</td><td>0.85</td><td>0.85</td></tr><tr><td>Element</td><td>Al2O3</td><td>As</td><td>Pb</td><td>Zn</td><td>Au*</td><td>Ag*</td></tr><tr><td>%</td><td>0.5</td><td>0.25</td><td>0.07</td><td>0.4</td><td>0.2</td><td>75</td></tr></table>
* (To be provided in tabular form; Au and Ag are measured in g/t.)

Mineralogical Composition of Copper Concentrate

Chalcopyrite ($CuFeS_2$): 65–67%

Pyrite (FeS_2): 25–28%

Quartz (SiO_2): 2.6%
Others (Mo, Pb, Zn, As, Sb, Al, Si, Ca): 3.8%</td></tr>
<tr><td>10</td><td>Project capacity</td><td>The plant will have a processing capacity of 560.0–600.0 thousand tonnes of copper concentrate per year.</td></tr>
<tr><td>11</td><td>Products</td><td>- Main Product
- LME Grade A copper cathode, meeting London Metal Exchange quality standards.
- By-Products
- Sulfur dioxide (SO_2) gas generated during the production process will be processed using environmentally sound technologies to produce marketable products (e.g. sulfuric acid, elemental sulfur, etc.) suitable for sale on domestic and international markets.
- The plant will include a precious metals refinery (anode slime processing unit). Products of this unit will include refined gold, silver, and other by-products.</td></tr>
<tr><td>12</td><td>Investment Support and Guarantees</td><td>Raw materials will be supplied on a long-term and stable basis.
- “Erdenet Mining Corporation” SOE will be responsible for and fully finance (100%) the construction of infrastructure up to the industrial zone, including roads, railway, water supply, sewerage system, and power supply.
An investment agreement will be concluded with the Government of Mongolia to stabilize the following taxes for a period of 15–18 years, as stipulated in the Investment Law of Mongolia:
- Corporate income tax
- Value-added tax
- Mineral resource utilization fee
- Customs duty
The project shall enjoy the following incentives provided under the “Law on the Legal Status of Industrial and Technology Parks” and other relevant legislation:</td></tr>
</table>

		- Exemption from customs duties (5 years) - Postponement of payment of import value-added tax for construction materials, infrastructure, and equipment that cannot be sourced from domestic production and are required for establishing fixed assets (4 years) - Exemption from land lease payments (10 years) - Real estate tax exemption of 100% for the first 5 years and 50% for the subsequent 5 years - Exemption from foreign worker employment fees - Final products will be subject to a 0% VAT rate
13	General Terms for Investment and Cooperation	All types of investment proposals are openly welcomed, including those for **joint implementation with the Erdenes Mongol Group** or **independent implementation** of the Project. Proponents submitting proposals shall take a **comprehensive approach** to the Project, covering investment, construction, and operational phases.
14	Contents of proposal	Interested investors shall submit proposals containing, at a minimum, the following: 1. **Letter of Expression of Interest** indicating the intention to invest and cooperate; 2. **Company profile/introduction**; 3. **Detailed information on proposed project financing**, including financing structure and sources of funds; 4. **Information on experience and comparative advantages** relevant to project implementation; 5. **Additional proposals** relating to investment participation; 6. **Other conditions and requirements** the investor wishes to stipulate; 7. **Supporting documents/evidence** demonstrating that the investor meets the specified requirements.
15	Technological Solution Requirements	The technology proposed by the proponent shall meet the following minimum requirements: - Utilize a technology **compatible with the characteristics of copper concentrate from "Erdenet Mining Corporation" SOE**, enabling the production of copper cathodes at **low unit cost**. - Ensure **complete recovery of gold, silver, and other valuable metals** associated with the copper concentrate. - Provide a technological solution for **processing sulfur dioxide gas generated during the production process** into products that can be safely transported, stored, and sold on domestic and international markets in compliance with applicable laws, rules, and regulations. - Include solutions for **processing, neutralizing, and/or recycling solid, liquid, and gaseous wastes** into usable products where feasible. - Allow for **future upgrades and improvements** to the technology and equipment. **Note:** The proponent shall also indicate the **minimum copper grade in concentrate** that can be economically processed using the proposed technology, ensuring overall **economic viability** of the Project.
16	Environmental Requirements	The investor shall design, construct, and operate the Copper Concentrate Smelting and Refining Plant in compliance with the **Law of Mongolia on Environmental Protection** and other relevant laws and regulations, as well as **international best practices**, ensuring that the plant: Has **minimal adverse impact on the environment**; and Is **water-efficient**. **Waste Management:** Anode slime, gypsum, and other wastes shall be classified as **hazardous or non-hazardous**, and appropriate solutions shall be incorporated for **recycling, re-use, or safe disposal**.
17	General Requirements	**Technical, Technological, and Managerial Capacity** Proven experience in **designing and constructing smelting plants** with a

	for Interested Parties	processing capacity of **500,000 tonnes per year or more** of copper concentrate. Currently operating or having previous operational experience in **copper and metal smelting and processing industries**. **Financial Capacity** Ability to secure and provide **full financing for the total project investment**. **Investors with the following attributes will be considered as having an advantage:** Holder of **internationally protected patents** (intellectual property rights) in the field of copper concentrate smelting technology. Having a **human resources policy** and capability to: - Operate the plant on a **long-term, stable, and efficient basis**; - Ensure **reliable performance** of the technology; - **Localize** the technology; - **Train and employ local staff** for operations related to the plant. Offering **energy-efficient** and **environmentally friendly** technological solutions. Providing a solution for processing sulfur-containing gas (SO_2) using environmentally acceptable technologies to produce **marketable products**, along with appropriate solutions for storage and transportation. Demonstrating an interest in establishing **downstream industries** within the production and technology park that will: - Further process products such as **copper and sulfur-containing gas** from this and other plants; - Produce **final products** and **high-tech products** with greater value-add.
18	Infrastructure	"Erdenet Mining Corporation" SOE will be responsible for constructing the industrial and technology park's infrastructure—including power supply, water supply, sewerage systems, and rail and road networks—and will complete and commission these facilities in full by 2026. **Heat Supply:** As the plant will be located far from the centralized heat supply system, it will not be possible to supply technological steam and network water with the required parameters from the Thermal Power Plant of "Erdenet Mining Corporation" SOE. Therefore, it is necessary to plan for the technological steam demand and the heat supply system to be provided from an independent source. - Integration of waste-heat boilers and steam–power generation must be included in the design. - Buildings and facilities to be constructed must meet requirements for improved energy efficiency through low heat-loss insulation and the introduction of energy-saving technologies. **Water Supply:** The plant's water supply system will consist of external and internal water supply networks, water storage facilities, cooling water systems, and engineering pipelines and structures designed to ensure continuous supply of potable, domestic, and industrial process water for employees and production operations. Domestic and industrial water demand will be met through the industrial and technology park's central fresh water pipeline, and no less than 97% of the total water used will be recycled. Disinfection and sterilization equipment will be installed on the potable water line. **Sewerage System:** Wastewater generated from the plant's potable and domestic water use will be discharged into the sewerage network through the wastewater outlet and

		collection pipelines, and will be conveyed to the *Erdenet City Wastewater Treatment Plant*. During production, technological wastewater will be treated in the plant's treatment facility (waste thickening facility or settling tank), where 90–95% will be clarified and purified, and 5–10% will be mechanically settled and treated in the tailings pond before being recycled back into the production process. In cases of emergency where untreated technological wastewater must be discharged, it will be directed to the tailings pond. The plant's wastewater treatment facility will operate as an auxiliary unit of the plant. **Power Supply:** The newly constructed plant will be supplied from the *"Oyut"* substation in accordance with the technical specifications for the power supply of the copper concentrate processing plant within the *"Mining–Metallurgy–Chemical Industrial Complex Production and Technology Park"*, issued by the Ministry of Energy under Technical Condition No. 137/2025 (Annex 6). The plant will include the design and installation of a 110 kV substation dedicated to the Copper Processing Complex. The substation's main and auxiliary equipment, relay protection and automation systems, and all other components will be designed with modern busbar trunking systems to ensure continuous and reliable power supply. All systems shall comply with MNS standards of Mongolia, and where no national standard exists, IEC international standards shall apply. - The new substation must be designed for voltage levels of 110 kV or above. - During the design phase of the new 110/10 kV, 2×63 MVA substation, the implementing entity must consult with *"National Power Transmission Grid" JSC* to ensure that the low-voltage side includes transformers with two 10 kV windings. - Equipment installed in the substation must be suitable for Mongolia's climatic conditions, elevation above sea level, and must meet IEC standards, incorporating advanced modern technologies. - Smart meters, current transformers with appropriate load coefficients, and surge arresters must be selected from equipment certified and approved for use by the Mongolian Agency for Standardization and Metrology. **Communications and Signaling Systems:** Information and communication systems shall be integrated and consolidated into a unified infrastructure. **Fiber Optic Network:** A fiber-optic system shall be installed to support internet, cable television, telephone, fire protection, and other security systems. **Automation:** Automation systems shall be designed to ensure data security, energy-efficient operation, user-friendly interfaces, configurability and expandability, operational continuity, and the incorporation of advanced and innovative technologies. - Must include PLC/ESD protection compliant with SIL levels. - Must be integrated with an Advanced Process Control (APC) system and a Manufacturing Execution System (MES). - Online analyzers (SO_2, dust, electrolyte composition, etc.) must be connected to the LIMS system. **Water Structures and Facilities:**

		The design of flood-protection structures shall be based on the plant's general layout, local environmental and climatic conditions, floodwater intensity, and relevant engineering calculations and studies. It must include preventive measures, water diversion and collection systems, and the design of flood levees, channels, and drainage ditches, which shall be reviewed and approved by the Water Authority**.** **Environmental Protection:** Environmental matters shall be planned in accordance with the Law of Mongolia on Environmental Protection and other related laws and regulations. **Solid Waste Management:** Areas for segregating and collecting solid waste, as well as designated sections for sorted storage, shall be planned. **Hazardous Waste Management:** Facilities for segregating, collecting, and disposing of hazardous waste shall be planned. **Infrastructure and Support Facilities:** Construction of all necessary infrastructure and auxiliary buildings required for the project shall be planned accordingly.
19	Project Implementation period	The Project implementation period shall be **no more than 30–32 months** from the date of **contract signing**.