

MONGOLIA'S NEXT GROWTH ENGINE: INDUSTRIAL PARKS INVESTMENT OPPORTUNITIES

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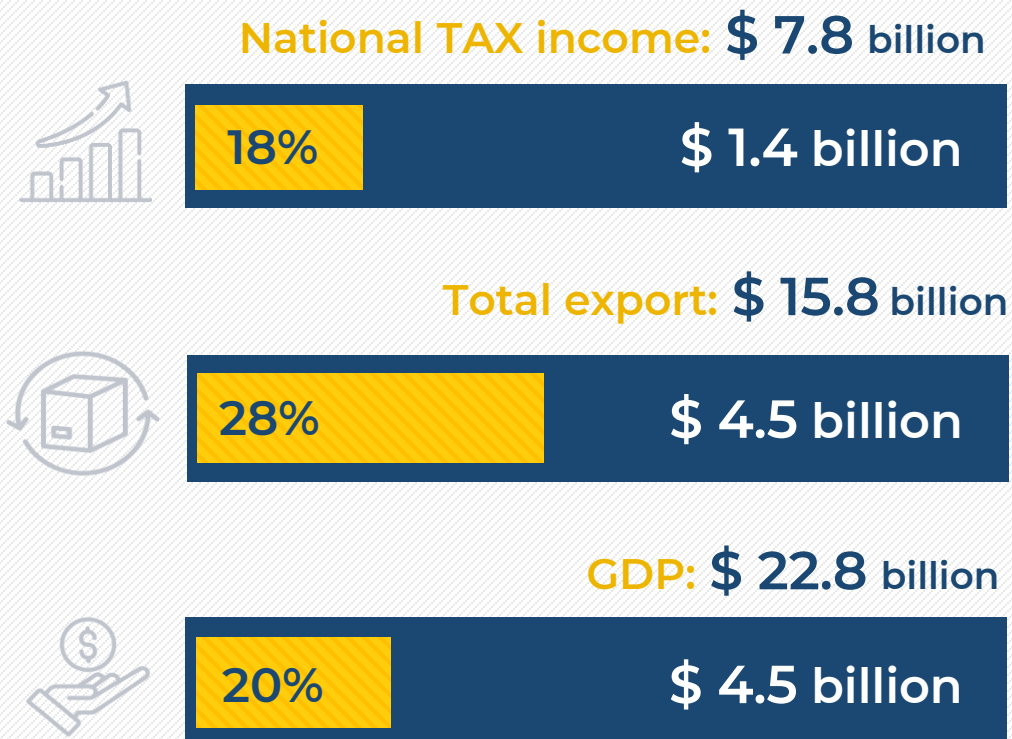


Financial and Operation performance



Copper	Coal
124.0 Kt	30.5 Mt
Iron ore	Cement
6.0 Mt	300 Kt
Silver	Steel
14.0 Kt	80 Kt

Erdenes Mongol's significance to the Mongolian economy



2024 data

■ Erdenes Mongol Group

❖ Mongolia's development policy



VISION 2050



ACTION PLAN 2024-2028



MID TERM STRATEGY 2024-2028



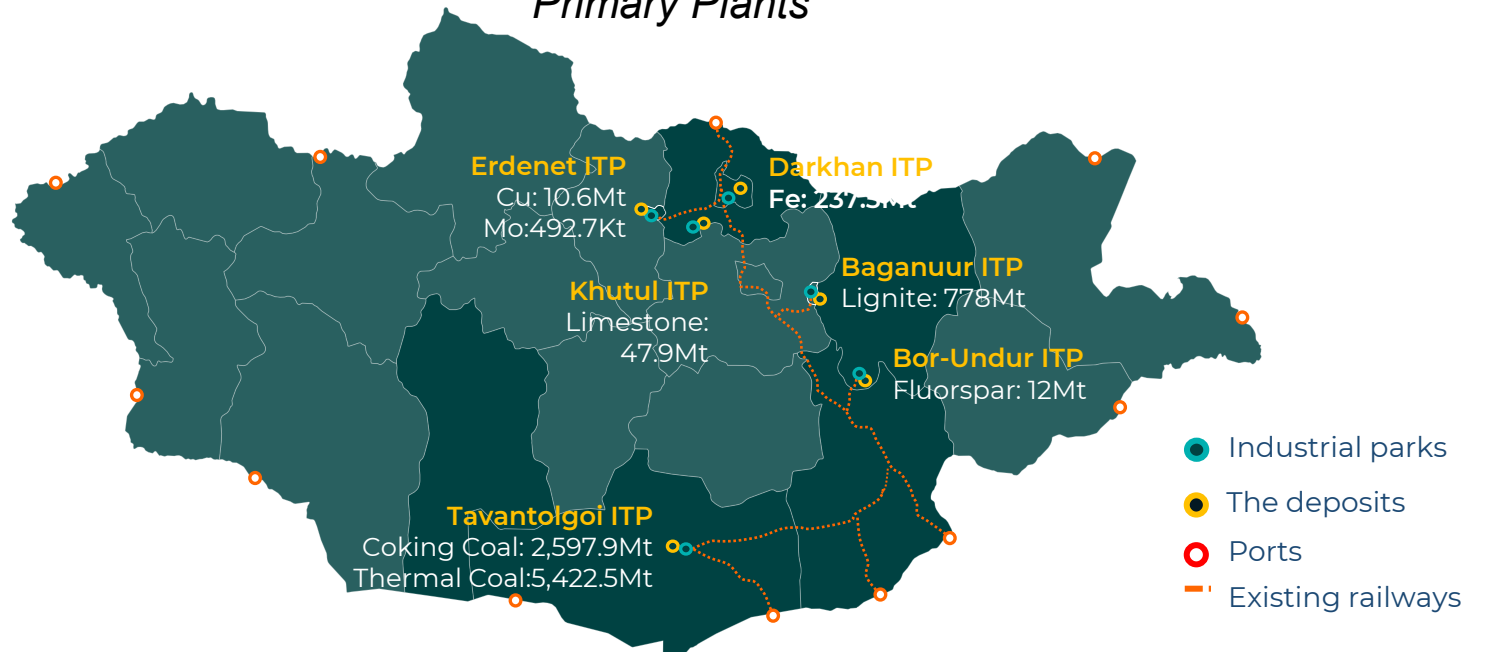
Industrial Sector
Development



**INDUSTRIAL PARK
MODEL**



❖ Industrial Park Management company

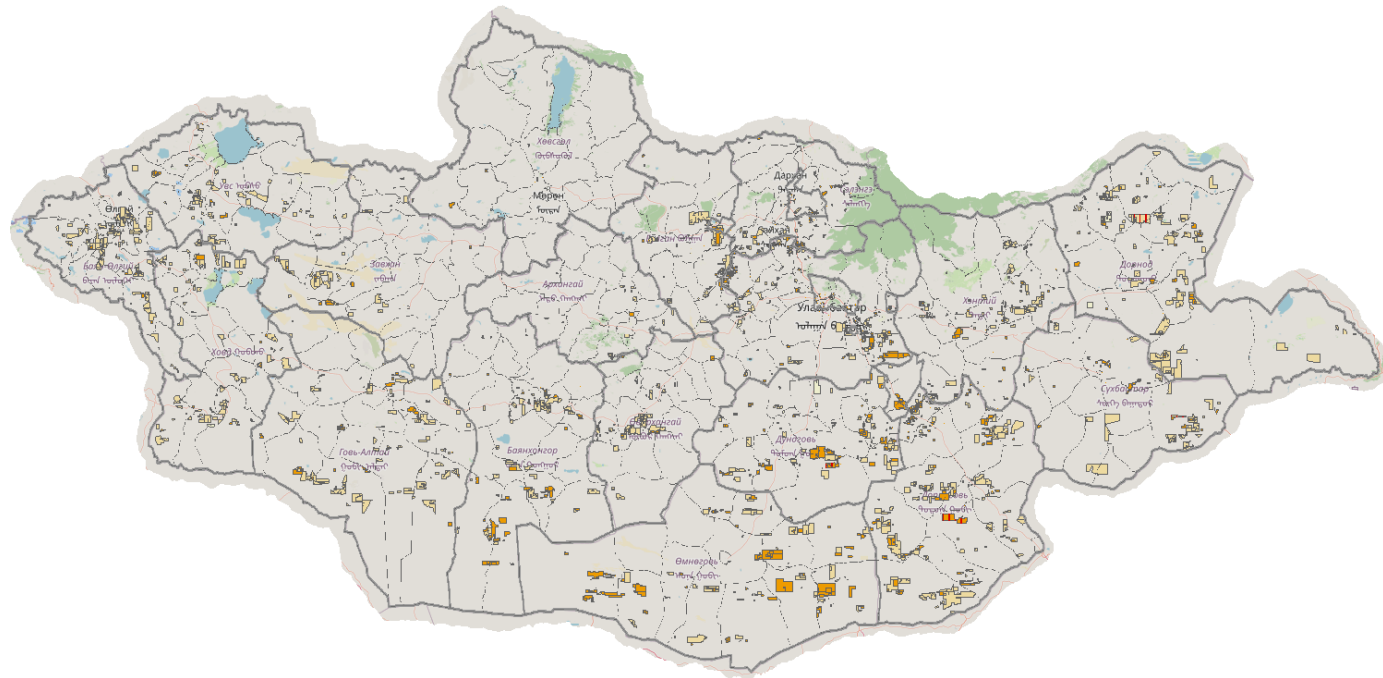
Planning	Development	Management
<ul style="list-style-type: none"> <input type="checkbox"/> Master plan <input type="checkbox"/> Feasibility study <input type="checkbox"/> Studies 	<ul style="list-style-type: none"> <input type="checkbox"/> Investment <input type="checkbox"/> Procurement <input type="checkbox"/> Construction <p><i>*Infrastructure and Primary Plants</i></p>	<ul style="list-style-type: none"> <input type="checkbox"/> Operation <input type="checkbox"/> Utilities & Infrastructure <input type="checkbox"/> R&D



OUR ADVANTAGES



-  **MINERALS** ~80
-  **OCCURRENCE** ~8000
-  **DEPOSIT** ~2890



Status of Geological surveys		
1:1000000 scale geochemical mapping		100%
1:200000 scale geological complex mapping		100%
1:200000 scale airborne geophysical survey		22.2%
1:50000 scale geological mapping and prospecting		52.7%

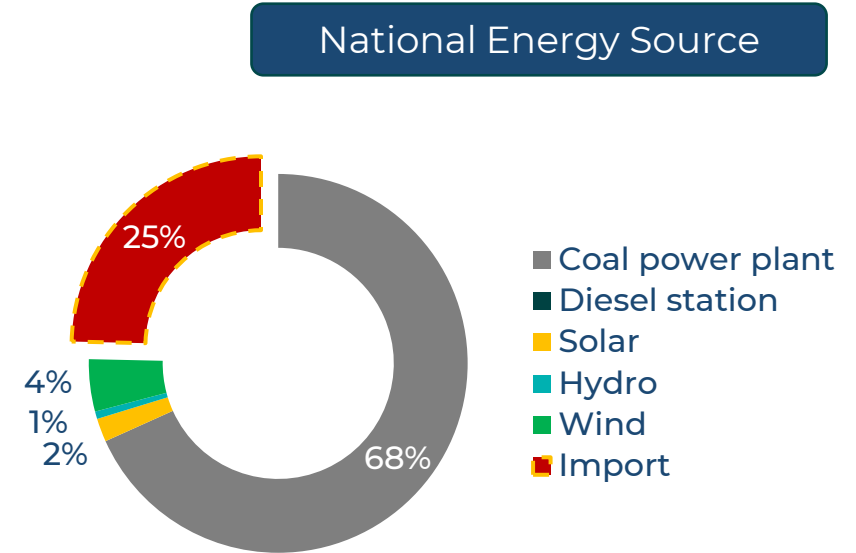
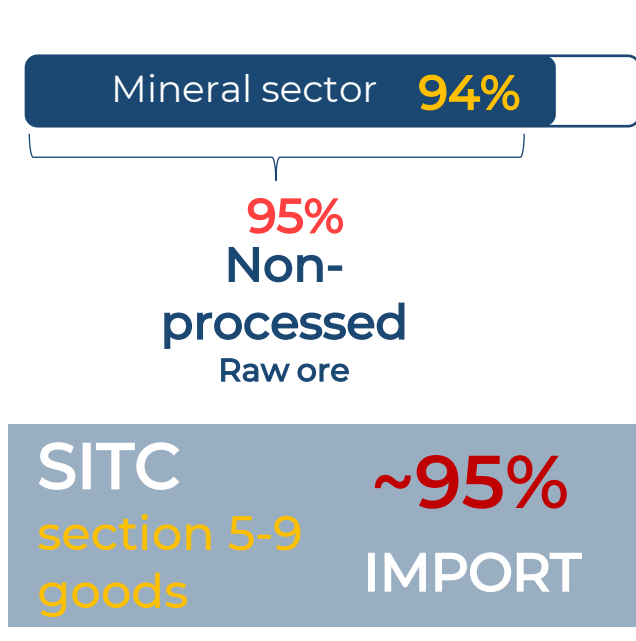
Registered reserves		
Minerals	Unit of measure	Reserves
Copper	Mt	59.6
Coal	Bt	39.7
Iron	Bt	2.1
Gold (OT not included)	t	510.4
Zinc	Mt	5.1
Fluorspar	Mt	36.2
Uranium	Kt	192.2
Petroleum	Mt	32.6

TOTAL	MINING	EXPLORATION
Number of licenses: 2,829	Number of licenses: 1,760	Number of licenses: 1069
Area size (million hectares): 7.2	Area size (million hectares): 1.9	Area size (million hectares): 5.3
Percentage of territory: 4.6%	Percentage of territory: 1.2%	Percentage of territory: 3.4%

Other resource		
Water	Wind energy	Solar energy
560 million m ³ /year	1100 GW	2200 GW

OUR DISADVANTAGES

Mineral	Extraction and beneficiation	Advanced processing	Processing rate
Copper	1.4 Mt Concentrate	6.9 Kt (Cathode copper)	2%
Coal	103.4 Mt Coking and hard coal	9.2 Mt (Energy)	9%
Iron ore	7.5 Mt Ore and concentrate	-	0%
Fluorspar	1.36 Mt Ore and concentrate	-	0%



Industrialized Mongolia

- DISADVANTAGES
- PROBLEMS



OPPORTUNITY

WHAT WE DO

RESOURCES

- Mineral resource
- Other natural resource (water, wind, solar etc..)
- Infrastructure resource
- Market resource
- Economy resource
- Technology resource

We are building industrial nests



INTEGRATED PLANNING

INTEGRATED COOPERATION

PARTNERSHIP

- Investors
- EPC Contractors
- Research and Developers
- Banking and financial institutions
- Government and local authorities
- Universities and training institutions



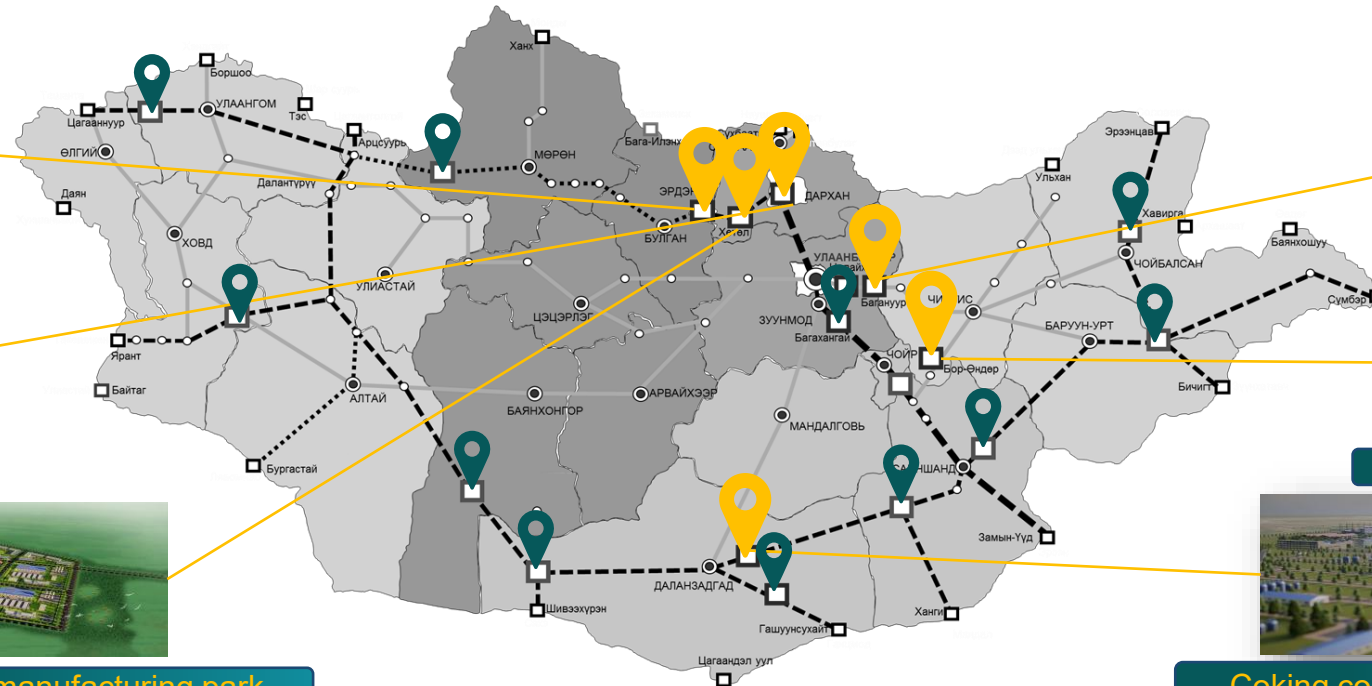
Copper processing park



Steel manufacturing park



Building material manufacturing park



Brown coal processing park



Fluorspar processing park



Coking coal processing park

BENEFITS OF OPERATING IN INDUSTRIAL PARKS



TAX AND NON-TAX INCENTIVES



Customs duty waiver **5 years**



Extension of VAT (import) payment for **4 years** with partial payment arrangement



Exemption from land fee for **10 years**



Full exemption from property tax for the first **5 years**, followed by a 50% reduction in next **5 years**



Application of **0% rate for Customs Duty and VAT**



Export-Oriented Processing Plant



Nano, Bio, and Innovative advanced technology Plant



Energy and railway project



Accelerated Depreciation Method



Exemption from foreign employee payments



Provision of visa and permanent residency under simplified procedure

INTERNATIONAL CONVENTION



The Convention on the Settlement of Investment Disputes between States (Washington Convention).

The Convention on the Establishment of the Multilateral Investment Guarantee Agency (Seoul Convention).

INTERNATIONAL AGREEMENT

26
COUNTRY

Double taxation agreement

43
COUNTRY

Bilateral investment agreement

7,200
PRODUCTS

European union Generalized Scheme of Preferences Plus

STABILIZATION CERTIFICATE



Taxes can be stabilized

- ✓ Profit tax
- ✓ VAT
- ✓ Royalty
- ✓ Customs duty



Investment amount

30-100 billion ₮	5 – 8 year
100-300 billion ₮	8 – 11 year
300-500 billion ₮	10 – 13 year
Above 500 billion ₮	15 – 18 year



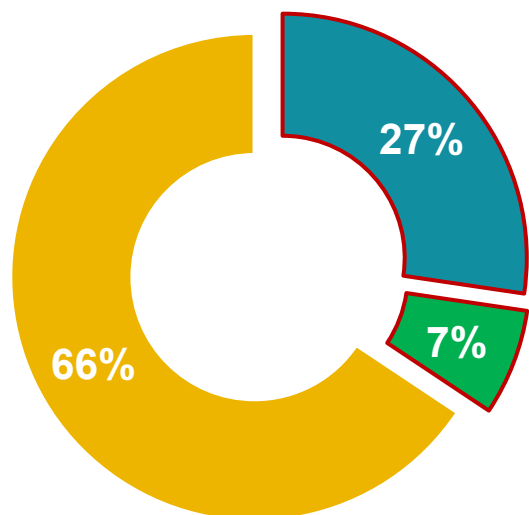
Criteria

- ✓ Investment amount
- ✓ Environment impact assessment
- ✓ Sustainable jobs
- ✓ Advanced technology

REQUIRED INVESTMENT FOR INDUSTRIAL PARK PROJECTS



No	ITP	Investment, m\$
1	Erdenet ITP	1,142.5
2	Khutul ITP	162.0
3	Darkhan ITP	806.0
4	Baganuur ITP	4,160.0
5	Bor Undur ITP	994.1
6	Tavan Tolgoi ITP	2,204.3
Total		9,468.9



Current Investment
\$54.0M

- Primary plant
- Infrastructure
- Downstream plant

❖ Investment options



Primary plant projects



Co-Investment
Joint Venture

Partner with the Government in nationally strategic anchor industries.

Copper smelter
\$772.9M

Steel plant
\$806M

Coal Chemical
\$600M

Coke Energy
\$454.1M

The process of selecting strategic investor is ongoing.



Downstream plant projects



100% Private ownership
Equity finance

Own and operate your manufacturing business inside Mongolia's first industrial ecosystem.

INVESTMENT OPTIONS



Infrastructure projects



**PPP
BOT, BT**

Stable long-term returns through government-backed infrastructure partnerships.

Power plant

Railway

Logistics hub



Real Estate



**100% Private ownership
Equity finance**

Prime industrial real estate with long-term leasing income and upside potential.

Factory shell

Warehouse

Commercial zone

❖ Industrial Park Investment Fund

FUND CAPITAL STRUCTURE

Development Bank
of Mongolia &
Erdenes Mongol Group

Private
Investors

International
Financial
Institutions

Industrial Park Investment Fund

WHAT THE FUND INVESTS IN

- Primary plants:** Steel · Coal Chemical · Copper Smelter · Coke Energy
- Private Manufacturing:** Processing plant · Pipe/Tube · Fertilizer · Packaging
- Infrastructure:** Power · Water · Logistics · Water treatment
- Industrial Real Estate:** Ready-built Factories · Lease Assets · Warehousing

❖ COPPER SMELTER



Annual Capacity:

- 124kt cathode copper
- 72kg gold
- 38.2kt silver
- 182kt elemental sulfur

Investment: 772.9 million USD
Sales: 1113.6 million USD
Profit after tax: 56.8 million USD
Payback period: 7.7 years
IRR: 10.71%
NPV: 283.3 million USD

Current progress:

- ✓ FS
- ✓ Infrastructure
- ✓ DEA
- ✓ Strategic Investor selection
- ✓ Land
- (Progress is ongoing)

❖ INTEGRATED STEEL PLANT



Annual Capacity:

- 1Mt Steel
- 500Kt Rebar
- 400Kt Billet
- 100Kt Grinding ball

Investment: 806 million USD
Sales: 645 million USD
Profit after tax: 105 million USD
Payback period: 7.6 years
IRR: 13.3%
NPV: 260.4 million USD

Current progress:

- ✓ Pre-FS
 - ✓ Land
 - ✓ Strategic Investor selection (Progress is ongoing)
- Deadline**
May 11th

❖ FLUORSPAR PROCESSING CLUSTER



Fluorspar reserve: **36Mt** 4th
 Annual extraction: **1.5Mt** 2nd
 Annual export: **1.5Mt** 1st

Investment: 279.9 million USD
Sales: 232.2 million USD
Profit after tax: 40.59 million USD
ROI: 15%

Fluorspar processing plant

Hydrogen Fluoride plant

Sulfuric Acid

Aluminum Fluoride plant

Gypsum plaster plant

Cryolite plant

Silicate plant

❖ RENEWABLE ENERGY PROJECTS



RESOURCE

Wind energy 1100 GW Solar energy 2200 GW

INDUSTRIAL PARKS' ENERGY DEMAND

670 MW >>> 200 MW

6 ITP'S - 6 RENEWABLE ENERGY PROJECTS

100% Private ownership
Equity finance

Co-Investment
Joint Venture

PPP
BOT, BT



MONGOLIA
**INVESTMENT
FORUM**

**THANK YOU
FOR YOUR ATTENTION**

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20 April

