



KHALZAN BUREGTEI RARE EARTH PROJECT

CORPORATE PRESENTATION

February 2024

FORWARD LOOKING STATEMENT

This presentation contains forward-looking statements regarding the MNREC Khalzan Buregtei rare earth project. These statements are based on our current expectations, estimates, forecasts, and projections about the industry in which we operate and the project's potential. However, actual results may differ materially due to various factors beyond our control, including but not limited to market conditions, regulatory changes, technological advancements, and unforeseen challenges in production or supply chain.

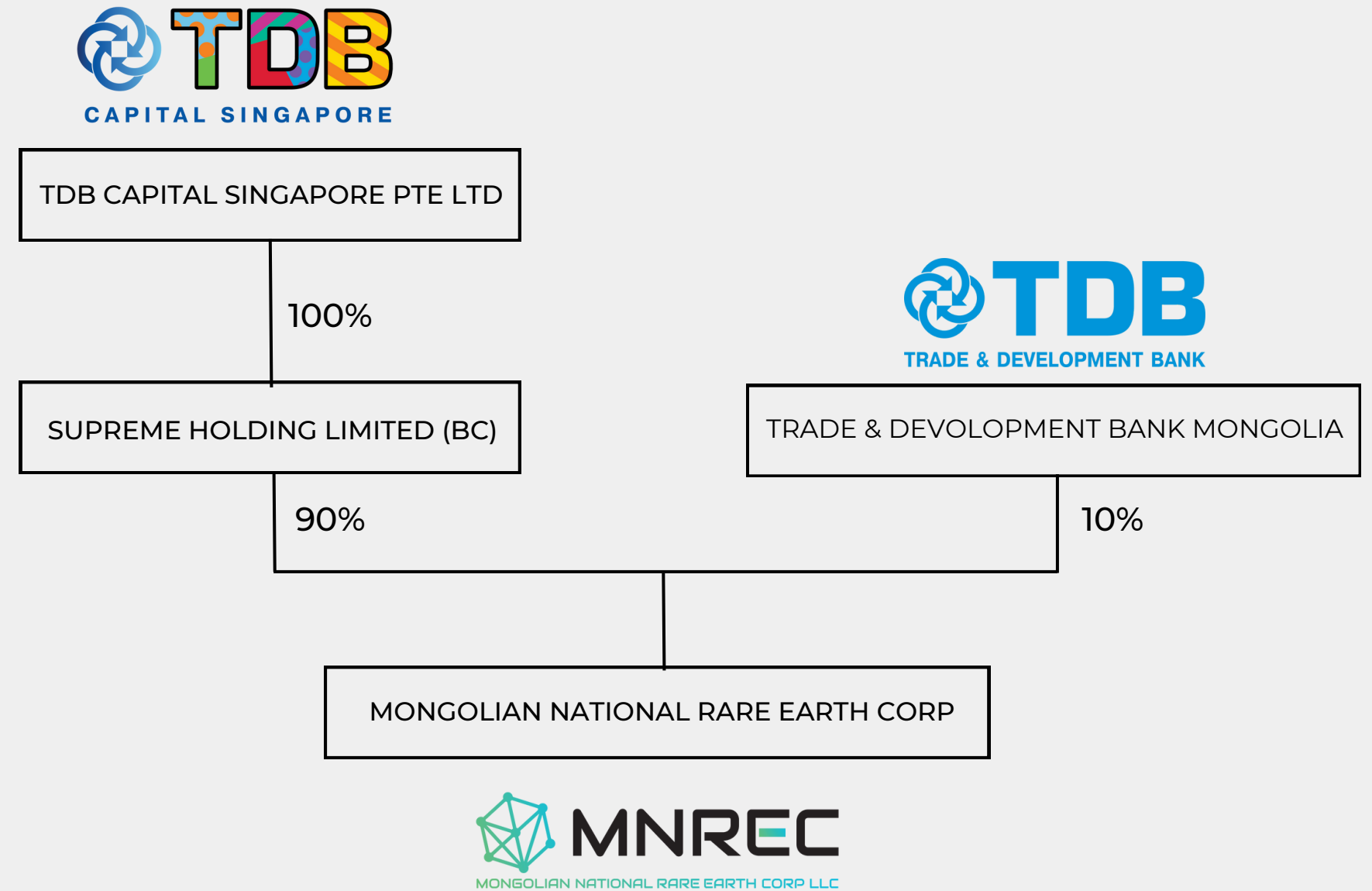
We undertake no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Investors and stakeholders are cautioned not to place undue reliance on these forward-looking statements, as they involve risks, uncertainties, and assumptions that could cause actual results to differ materially from our expectations.



ACQUISITION OF MNREC LLC

MNREC FOCUSING ON KHALZAN BUREGTEI (KB) PROJECT

- MNREC LLC focuses on exploring and developing resource properties in Mongolia, notably the developing **Khalzan Buregtei** rare earth deposit
- MNREC's wholly-owned Khalzan Buregtei deposit is one of the largest rare-earth deposits, featuring higher **'heavy' REE** content
- The Khalzan Buregtei Project is covered by two mining Licenses: **12335A** and **6911A** both of which are owned by Mongolian National Rare Earth Corp (MNREC), Ulaanbaatar, Mongolia. Licences are valid for 30 years from the grant date.
- Completed PEA in 2021 - Advancing to PFS with Construction Stage in 2028.



MANAGEMENT TEAM

MANAGEMENT TEAM WITH PROVEN TRACK RECORD



PUREVTUVSHIN Tsooj
Project leader



MUNKHJARGAL Chimeddorj
Project director



TSOLMON Adiya
Geology & mining project manager



Dr. TSEELMAA Byambaakhuu
Project Manager



DELGER Sukhbat
Chief Financial Officer



Dr. JARGALAN Sereenen
Project advisor

KHALZAN BUREGTEI OVERVIEW

MNREC FOCUSING ON KHALZAN BUREGTEI (KB) PROJECT

LOCATION

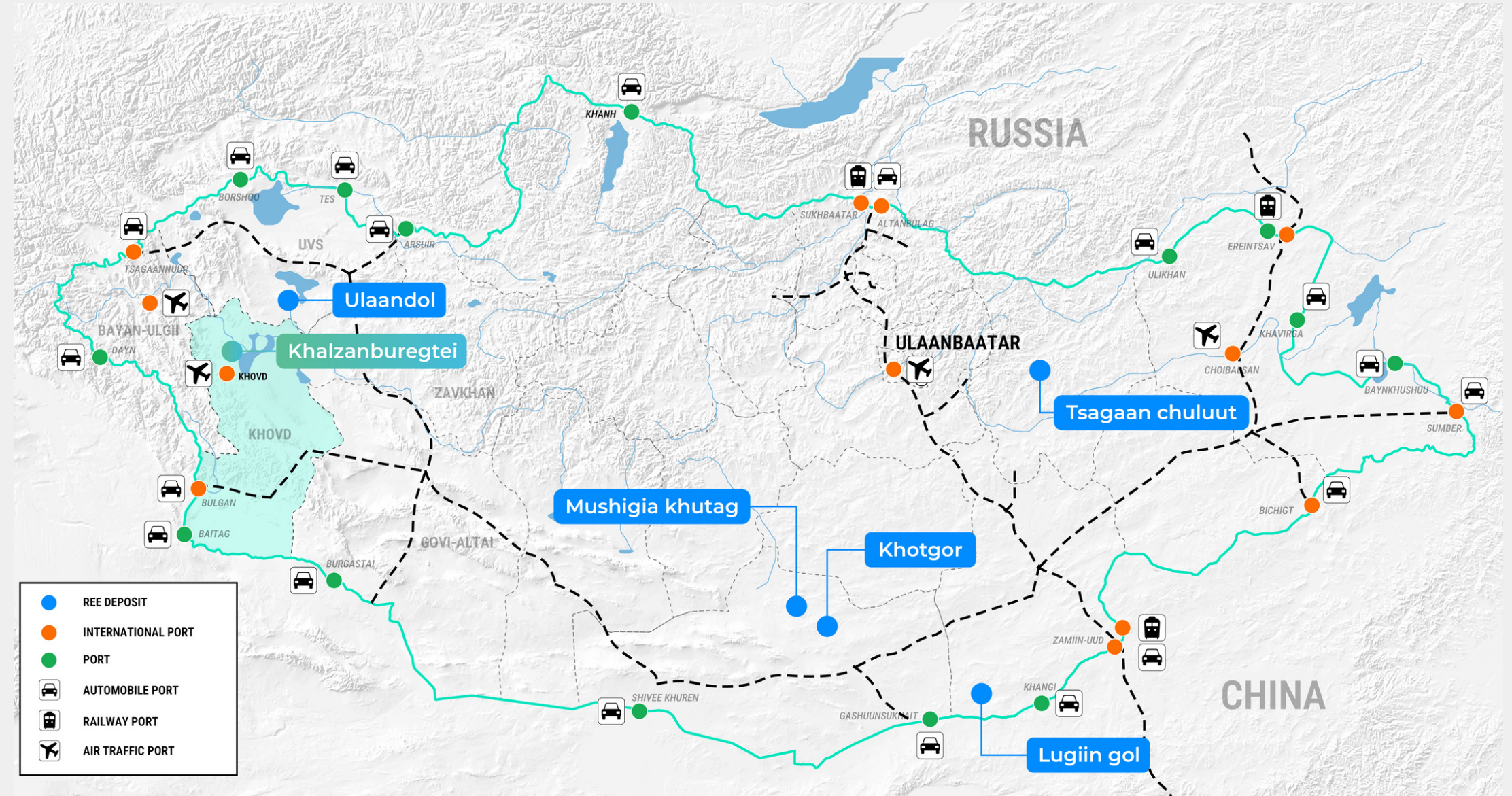
- Myangad soum, Khovd province,
- Mongolia **1400km** west of Ulaanbaatar capital
- **65 km** from Khovd City
- **300km** Chinese border and Russian border

PROJECT STATUS

- 100% owned mining licenses 12335A (valid until 2031) and 6911A (valid 2034) covering total are of 267 ha
- JORC resource report prepared by Micromine Consulting realeased in Jan 2014
- PEA and Desktop study complete, PFS underway

MINERALS

- Rare earth elements (Dysprosium base)
- Also contain Niobium, zirconium, tantalum



INFRASTRUCTURE

NEARBY REGIONAL PROJECTS

KHALZAN BUREGTEI RARE EARTH PROJECT

- One of the largest untapped REE deposit in the world
- Rich in heavy REE and REEs are crucial for EV motor, wind turbine and magnets
- Most advanced REE project in Mongolia

KHOVD ECO CEMENT

- Dry process cement factory
- 250 thousand tons of cement per year
- Supply cement to Western Mongolia

DURGUN HYDROPOWER PLANT

- 12-megawatt hydropower plant
- Annual electricity generation capacity 38GWh
- 174 km from the KB project

ERDENEBUREN HYDROPOWER PLANT

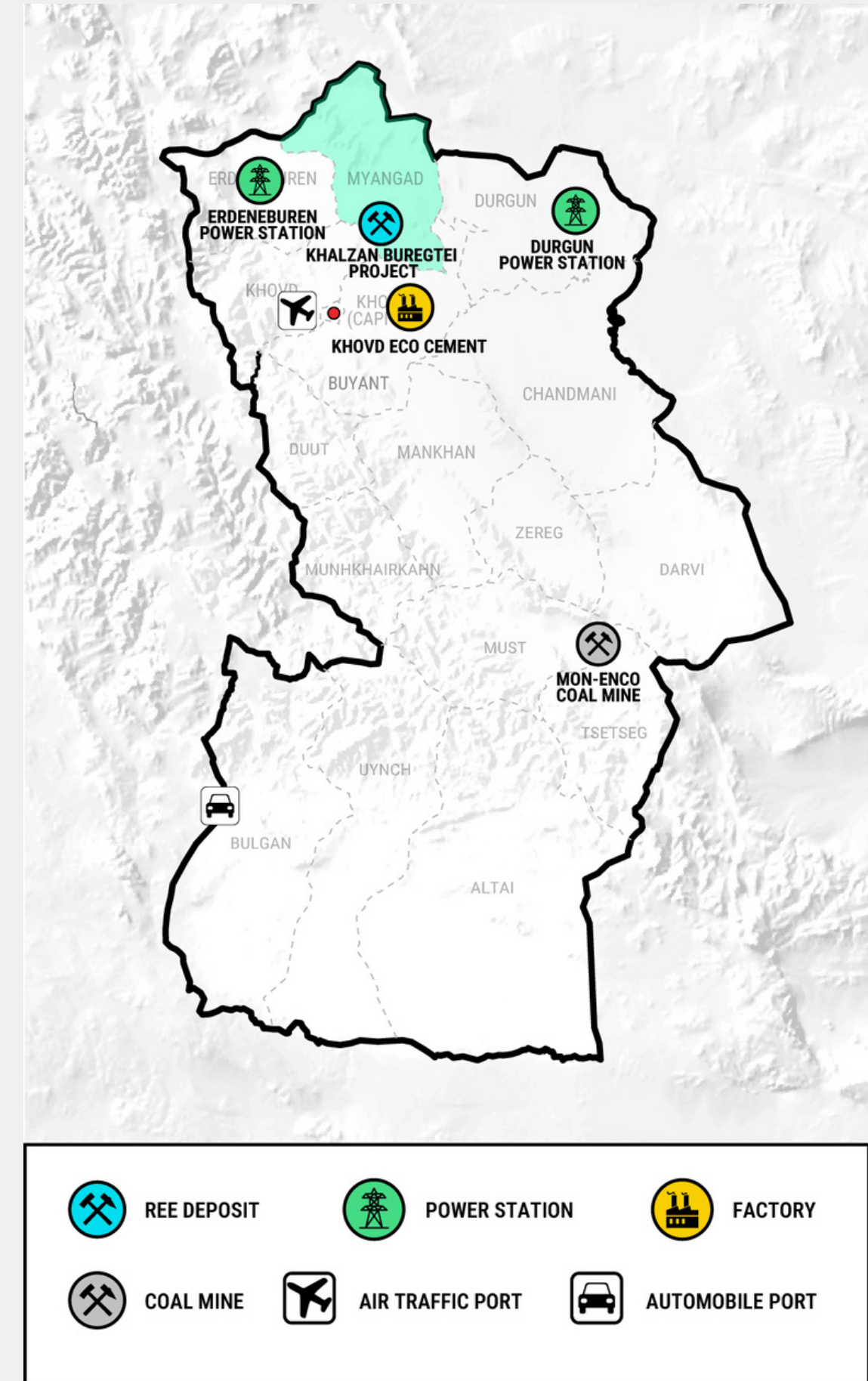
- 90-megawatt hydropower plant
- 40 km from the KB project
- Feasibility study done
- Operation will start on 2027

MON-ENCO KHUSHUUT COAL MINE

- Open-cut coking coal mine
- 19 years of minelife
- 8 million tonnes per annum
- Provide coal to western region

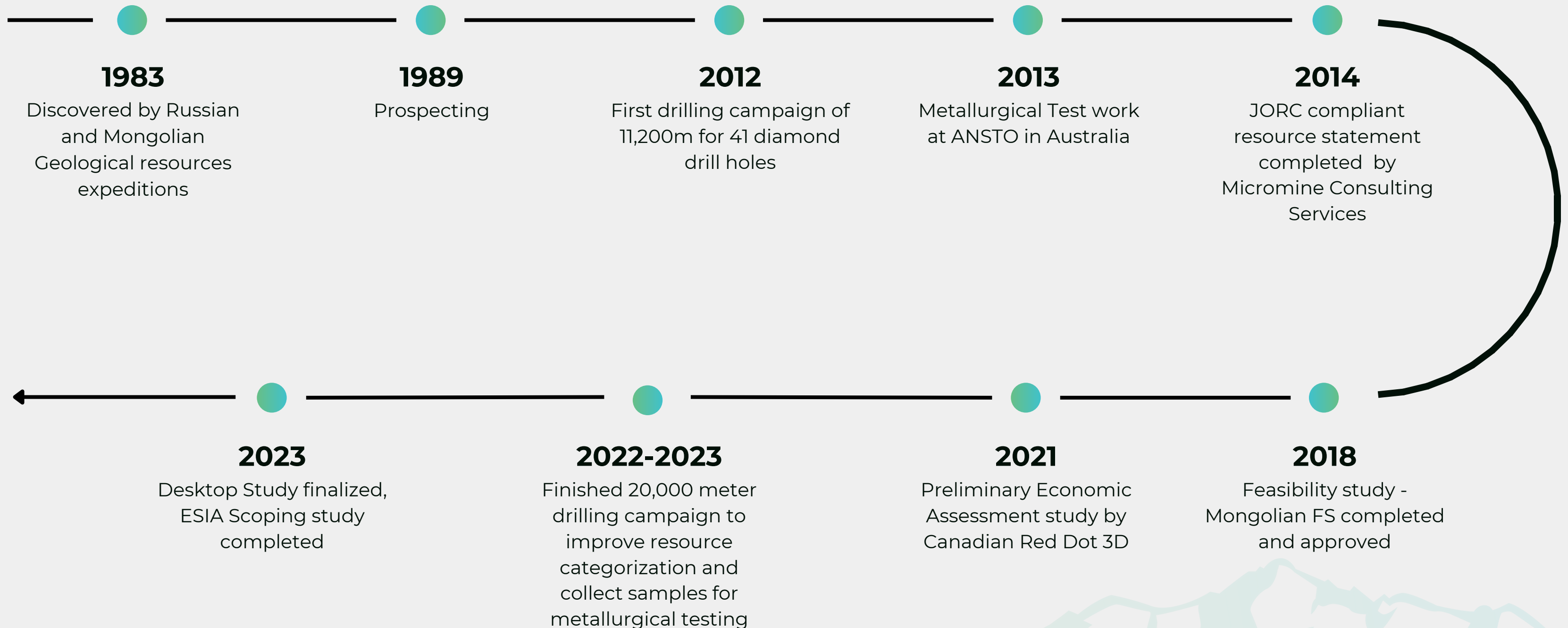
MYANGAD SOLAR POWER PLANT

- 10-megawatt solar power plant
- 20 km from the KB project



KHALZAN BUREGTEI

HISTORICAL DEVELOPMENT TIMELINE



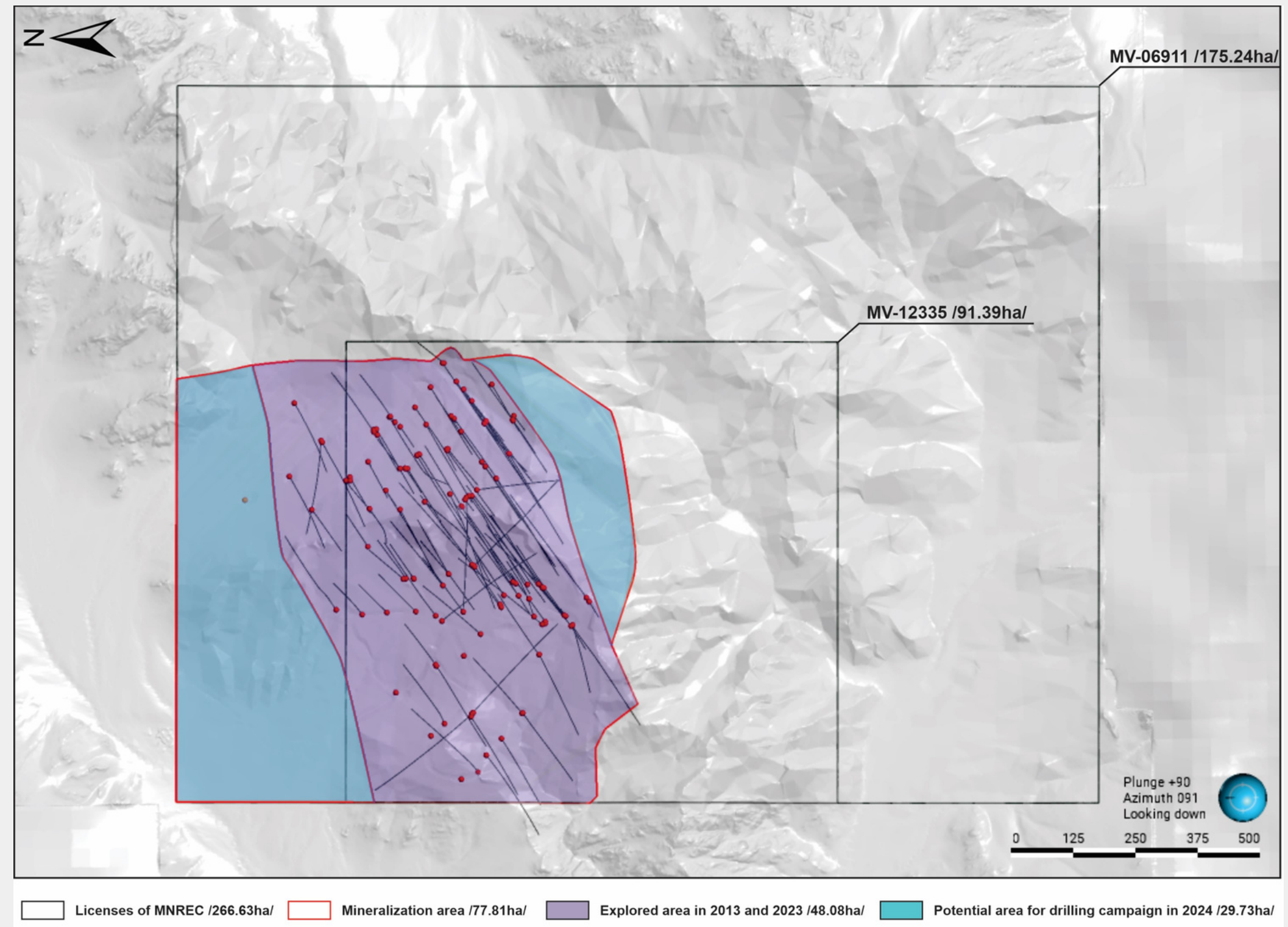
DRILLING HIGHLIGHTS

DRILLING CAMPAIGN BETWEEN 2012-2013 & 2023-2024

- Between 2012-2013 total of **41 holes** for **11,165m** have been completed
- Between 2022-2023 total of **93 holes** for **20,000 m** have been completed

Total of **31.2 thousand** meters drilling have been completed for PFS

- Geological, geotechnical, geometallurgical samples are sampled.
- 20,000+ assay samples test completed
- RPM global updated the block model
- Bulk pilot metallurgical samples to be **tested in 2024.**



DRILLING CAMPAIGN

BETWEEN 2023-2024



AFTER POSITIVE PEA AND DESKTOP STUDY

SUBSEQUENT TIMELINE STEPS

- Completed
- Planned
- In Progress

	2022		2023		2024		2025		2026		2027		2028			
MILESTONE					H1	H2	H1	H2	H1	H2	H1	H2	H1	H2		
PEA	<div style="background-color: #FFC107; width: 100%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input checked="" type="checkbox"/> </div>															
DESKTOP STUDY	<div style="background-color: #FFC107; width: 100%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input checked="" type="checkbox"/> </div>															
PRE-FEASIBILITY STUDY			<div style="background-color: #FFC107; width: 50%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input checked="" type="checkbox"/> </div>		<div style="background-color: #004D40; width: 50%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>											
DEFINITIVE FEASIBILITY STUDY (DFS)					<div style="background-color: #00A68F; width: 100%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>											
ESIA					<div style="background-color: #004D40; width: 10%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>		<div style="background-color: #00A68F; width: 90%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>									
PROCESS OPTIMIZATION							<div style="background-color: #00A68F; width: 100%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>									
PERMITTING: ENVIROMENTAL & OTHERS									<div style="background-color: #00A68F; width: 100%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>							
PLANT CONSTRUCTION											<div style="background-color: #00A68F; width: 100%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>					
OPERATION													<div style="background-color: #00A68F; width: 100%; height: 10px; border-radius: 5px; display: flex; align-items: center; justify-content: center;"> <input type="checkbox"/> </div>			

CONSULTANTS ENGAGED WITH PFS

Wood Plc - Preliminary feasibility study

RPM global - Estimate mineral reserve and life of mine, ESIA scoping study

Red Dot 3D - RD3D consultants oversaw Khalzan Buregtei since initial drilling, leading the 2021 PEA for the project

Knight Piesold Consulting - Tailing Study & Surface Water Management study

Adamas Intelligence - Market study

Bureau Veritas - Preliminary assessment of concentrate leaching routes for Khalzan Buregtei

Auralia metallurgy- Flotation experiment

ALS- Mineralogy test, Mineralogical characterisation by using QEMSCAN, Liberation analysis



SUSTAINABILITY

ESG COMMITMENTS : ENVIRONMENT

MNREC's corporate and social responsibility policies aim to establish a company that is internationally competitive, with an operational environment aligned with international standards. We are committed to set realistic and long-term sustainable goals aligned with the well-being and prosperity of our employees and the communities we serve.



- Environment-friendly ablution blocks
- Reliable clean water source available for locals and site workers



- Proposing and researching to connect the project site to potential renewable energy sources when mining operations begin.



- Mongolia's first production of rare earth elements
- At the exploration and research stage, standards based on international good practices are being followed /National Instruments of Canada 43-101/
- Preferring to localize the latest innovative methods with high production efficiency



- The environmental management plan and its implementation report are developed and approved by government agencies annually.
- Mitigating actions are taken regularly to reduce and eliminate the negative impact on the environment that is appropriate for each activity



- Waste management
- Responsible water consumption and monitoring
- Preventing soil degradation and erosion, dust-reducing actions are taken as per case.
- Safety of wild animals is always concerned

SUSTAINABILITY

ESG COMMITMENTS : SOCIAL



- 104,640 man-hours have been worked LTI free
- Radiation monitoring of environment and the body of field personnel
- Medical programs for local residents



- The gender ratio of all employees of MNREC is (53:47) (male:female)
- High level of participation of women in the decision-making roles.



- Works with respect for human rights in accordance with the Constitution, other laws applicable to labor relations, internal regulations and contracts of the organization.



- Regular campaigns to educate all citizens of 16 sums of Khovd province with accurate information about REE
- Annual scholarship program funded by Khalzan Buregtei development fund among the students of Khovd province



- Economic and cultural programs to promote and support local SMEs and tangible and non-gible cultural heritages are being held
- Local content optimization is always preferred
- 550 vacancies will be created once the mine operates



- The participation of all stakeholders of the project is provided through meetings, discussions and conferences, and opinions and criticisms are reflected.

SUSTAINABILITY

ESG COMMITMENTS : GOVERNANCE



- Proper use of natural resources - Payment for the water used during the exploration work was ordered to the administration of the Kharus Lake and Khovd river basins, and the payment for waste was ordered to the local area.
- Concrete barriers were made to prevent the loss of animals and animals without depriving the boreholes
- Regular environmental rehabilitation carried out



- Implementing the “Responsible Mining Program”
- Open and transparent activity reporting
- Involvement of all stakeholders



- Works in partnership with organizations focused on sustainable development
- A compliance management system with continuous improvement





CONTACT



WWW.MNREC.MN



[\(+976\)-7505-1801](tel:+97675051801)



INFO@MNREC.MN



ULAANBAATAR CITY, SUKHBAATAR DISTRICT, 1ST KHOROO,
PEACE AVENUE – 19, TRADE AND DEVELOPMENT BANK OF
MONGOLIA HQ, F14

