



**COALESCE
TRADING**

CORPORATE INTRODUCTION

June 2025





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Executive Introduction

It is my pleasure to introduce you to Coalesce Trading LLC, a family held Mongolian mining and commodity trading company committed to responsible resource development and long-term, sustainable growth.

Since commencing operations in 2020, Coalesce Trading has developed and operates the Sorgobi Mine, strategically located in Mongolia's Dornogovi region. With 20 million tons of proven reserves and significant expansion potential, the Sorgobi deposit provides a reliable supply of premium Gas Coal, a high-volatile coal used in efficient steel production. Through established long-term relationships with Chinese steel and coke producers, Coalesce has built a stable customer base supported by proximity to border crossings and emerging rail infrastructure.

As Coalesce enters its next phase of growth — expanding production, optimizing logistics, and strengthening partnerships — we remain fully committed to building an organization defined by operational excellence, transparency, and the consistent delivery of product and client service in line with international best practices.

On behalf of our entire team, thank you for your interest in Coalesce Trading LLC.

Sincerely,

Marius Johansen

Marius Johansen
Director
Coalesce Trading LLC

Company Overview

Coalesce Trading LLC is a privately held mining company operating the Sorgobi coking coal mine in Southeast Mongolia. Since 2020, Coalesce has produced high-quality gas coal for the Chinese market, leveraging its unique geological resource and strategic location near the Chinese border.

As part of a diversified family-owned enterprise with extensive experience across coal, iron ore, logistics, and infrastructure, Coalesce is positioned for sustained growth and operational expansion in one of Asia's most critical supply chains.

Corporate Highlights

- Ownership:** 100% privately held, family-owned enterprise.
- Asset:** Sorgobi Mine (Hard Coking Coal / Gas Coal)
- Location:** Dornogobi Province, Southeast Gobi, Mongolia.
- Production:** 1.25 – 2.0 million tons per annum (current).
- Reserves:** 20 million tons of proven reserves; additional upside through identified adjacent targets.
- Primary Market:** Chinese steel sector.
- Infrastructure:** 145 km from China border, new rail infrastructure under construction.
- First Production:** 2020



Key Personnel

At Coalesce Trading, our leadership team combines deep international expertise with operational experience within Mongolia. With a diverse background across mining operations, logistics, finance, and international markets, the Coalesce team brings the technical, commercial, and strategic capabilities necessary to support the company's growth and ensure consistent delivery for our international customers, partners, and stakeholders.

Together, Coalesce's leadership is aligned in driving operational excellence, expanding resource potential, and delivering value across all levels of the business.

Executive Management Team



Gantulga Gankhuyag
Executive Director

Gantulga brings 10 years of mining operations experience, specializing in mineral analysis, logistics, and exploration. He holds a Business Management degree from a U.S. university, and serves as Chairman of GMT Group LLC.



Marius Johansen
Director

Marius holds an MBA from the University of Geneva and brings over 15 years of international experience in commodities, energy, and investment, with leadership roles across Gooseberry, Titan, Coalesce, and Terra Explorers.

Mongolia’s Coal Sector: Strategic Positioning & Growth Outlook

Mongolia occupies a uniquely strategic position within the regional coal supply chain. As one of the world’s most resource-rich landlocked nations, Mongolia’s proximity to China, the largest global consumer of steel, and therefore iron ore, coke, and coal, creates a natural export corridor for coal producers. Mongolia’s mining industry continues to expand through targeted infrastructure investment, growing market demand for blending coals, and national policies aimed at maximizing long-term export competitiveness.

Coalesce Trading LLC is well positioned to capitalize on these developments by delivering reliable, ethically sourced coking coal products that align with the evolving requirements of China's steel industry.

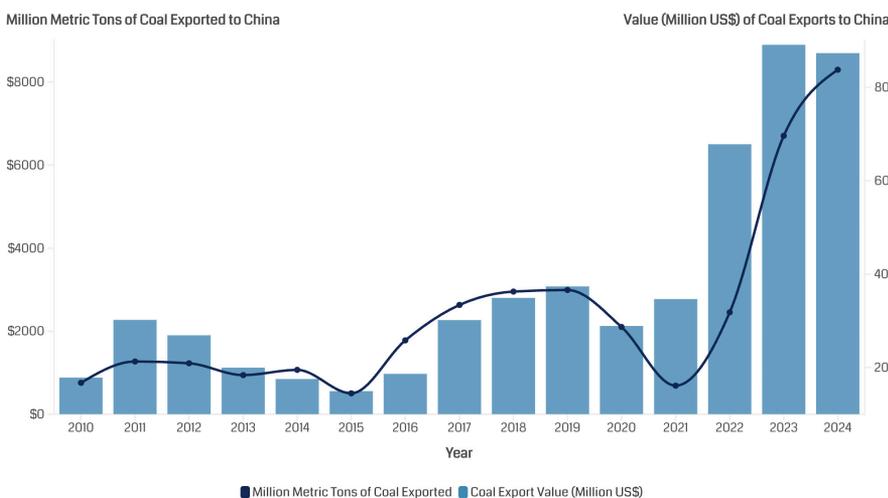
Key Industry Data

Mongolia exported 83.7 million tons of coal in 2024: This marked a historic high in exports. Prior to the COVID-19 pandemic, Mongolia consistently exported 35–40 million tons of coal annually, with volumes recovering strongly since.¹

Mining’s Role in the National Economy: Mining accounts over a quarter of Mongolia’s GDP, nearly 90% of total exports.²

Metallurgical Coal Segment: Roughly 30–40% of Mongolia’s coal exports consist of metallurgical coal, with increasing demand for high-volatile Gas Coal products used in blending for China's blast furnace operations.³

Table: Volume and Value of Coal Exports from Mongolia to China 2010-2024⁴



Growth in Mongolian Coal Exports

Mongolia exported a record 83.7 million tons of coal in 2024, more than double pre-COVID volumes.

New rail infrastructure is cutting transport costs, boosting competitiveness against seaborne coal. With improved access to new emerging markets like India, export capacity is expanding.

Infrastructure Transformation: Unlocking New Export Capacity

In recent years, Mongolia has invested over 4 billion USD into major railway infrastructure projects, directly connecting coal producing regions to the Chinese border, including the recently completed Zuunbayan – Khangai line, adjacent to Coalesce’s Sorgobi Mine.⁵

These new corridors will impact Coalesce's logistics costs from the Sorgobi mine by \$5-7 per metric ton, improving DAP pricing competitiveness at the border and enhancing delivery stability.⁶

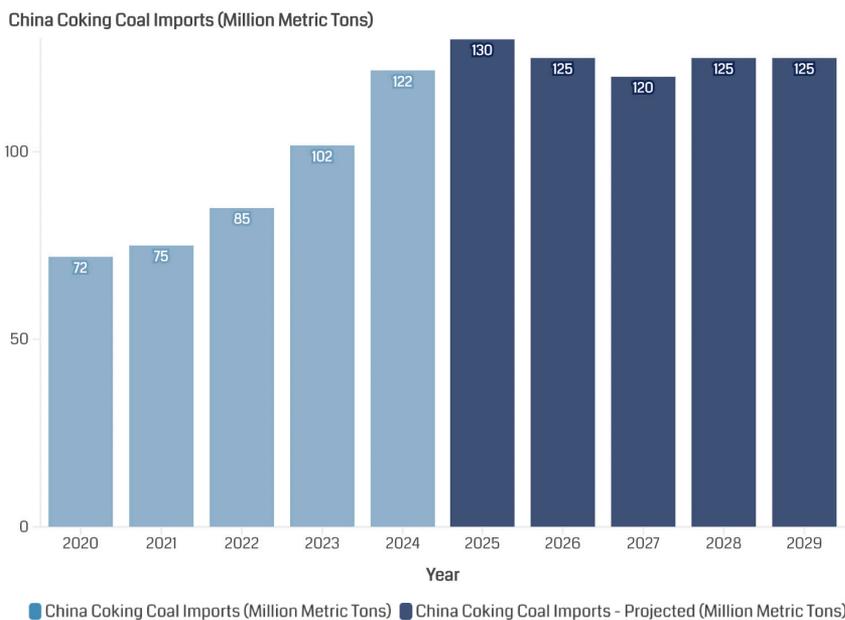
China Steel Market: A Stable Demand Anchor

China continues to produce over 55% of global crude steel output, exceeding 1 billion tons annually, ensuring stable long-term industrial demand for Mongolian gas coal.⁷

Productivity reforms in China’s steel industry are shifting blending patterns, increasing demand for specialty coal blends to optimize coke oven pressure management and maximize efficiency.

Coalesce Trading's Sorgobi Gas Coal offers an ideal blending component, aligning with the evolving needs of Inner Mongolia's major coke producers and steel plants.

Table: China Coking Coal Imports (2020-2029) Including 2025-2029 Predictions⁸



Benefiting from China's Evolving Coal Demand

While China’s domestic steel production growth may moderate by 2030, the demand for blending coals like Gas Coal remains resilient.

Improved Mongolian rail infrastructure is steadily reducing transport costs, making land-based coal exports increasingly competitive with Australian and other seaborne suppliers, even amid softer construction-driven demand.

References

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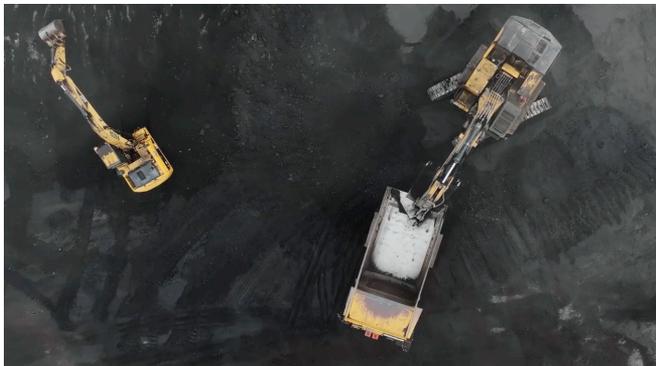
Coalesce Trading's Competitive Advantage

While broader market uncertainty has challenged some Mongolian producers, including volatility in short-term pricing, export congestion at key border points, and shifting procurement strategies, Coalesce has positioned itself to generate superior value through:

- Bilateral long-term contracts with stable Chinese counterparties.
- Direct border access at Khangj-Mandula, supported by efficient logistics planning.
- Lower-cost transportation via dedicated rail spur integration.
- Flexible product offering that meets niche blending demand.

Mongolian Coal Sector Outlook: Efficiency Driving Growth

With substantial undeveloped reserves, competitive operating costs, and proximity, Mongolia's coal sector remains a core contributor to China's steel supply chains. As infrastructure modernizes and China's steel market demands more diversified blending solutions, Coalesce Trading is uniquely positioned to deliver reliable growth.



Images: Top Right: Loading coal at the Sorgobi mine; Top Left: the Sorgobi mine site from the air; Bottom: The Sorgobi coal mine in operation.

The Sorgobi Mine

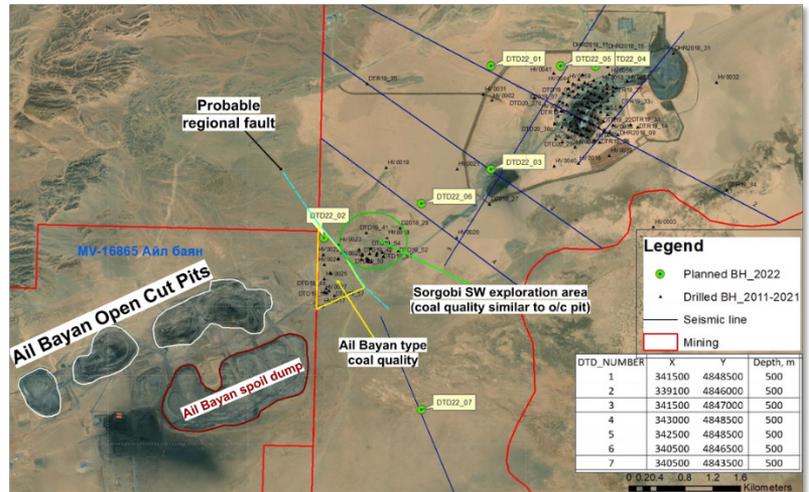
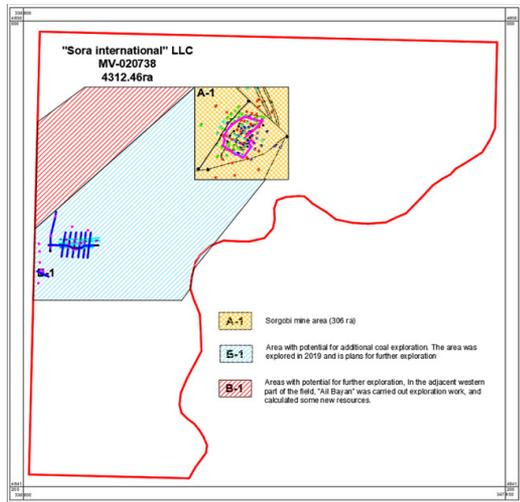
The Sorgobi Mine represents a scalable, high-potential coking coal deposit within Mongolia's Southeast Gobi metallurgical basin. Operated under mining license MV-020738, this 4,312.46 hectare license is located in Dornogobi Province, approximately 650 km south of Ulaanbaatar and 145 km northwest of Khangai-Mandula China border crossing. At present an area of 306 hectares is being mined, with 20 million tons of proven reserves in the active pit.

Exploration conducted in 2019 (22 boreholes and 10 trenches) identified two adjacent undeveloped pits. Intersections suggest similar or better coal quality compared to current pit. Further drilling work in 2023 confirmed up to 12.6 meters thickness of HCC-quality coal within 40 meters of surface. Additional seismic programs and drilling scheduled for resource upgrade, with potential for doubling reserve base with continued drilling in identified target zones.



Images: Top Right: Drilling core samples from testing of new pits on the Sorgobi license ; Top Left: Coalesce LLC hosts visitors to the Sorgobi mine site; Bottom: The Sorgobi coal mine in operation.

Charts: Right: Exploration Map of the Sorgobi Mine License; Left: Map of the Sorgobi Mine Site, Including Exploration Areas and the Adjacent Ali Bayan License.



Sorgobi Mine Key Data

The Asset

Asset:	Sorgobi Mine (Gas Coal)
Location:	Dornogobi Province, Southeast Gobi, Mongolia
License Number:	MV-020738
License Area:	4,312.46 hectares (306 hectares currently being mined)

Geology and Resource Profile

Reserves	20 million tons of proven reserves in production pit; additional upside through identified through drilling. Thick, shallow seams with high-volatile hard coking coal quality
Adjacent Activity	Near-contiguous hard coking coal production neighbors at Ail-Bayan and others

Operational Profile

First Production:	2020
Annual Production:	1.25 – 2.0 million tons per annum (current), with projected expansion to 3-4 million tons per annum over the mid-term
Primary Market:	Chinese steel sector
Infrastructure:	145 km from China border. Civil works for direct rail spur underway, with expected rail commissioning within 2025

Coal Product Specifications

Our Gas Coal product is a high-volatile coal used primarily as a blending component in coking coal blends for blast furnace steel production. The technical properties of Sorgobi’s Gas Coal provide essential flexibility for customers balancing efficiency, safety, and metallurgical performance. Our long-term customer relationships reflect the consistency, reliability, and blending performance of our product. Sorgobi operates its own on-site testing facility to ensure consistent quality of outputs.

Data sheets reflecting the latest available sampling and testing, conducted under ISO / AS standards, can be found on our website.

What is Gas Coal?

Gas Coal is a type of high-volatile metallurgical coal used as a key blending component in coke production for steel making.

Its unique properties allow steel producers to combine it with other coal types to optimize coke strength, control oven pressure, and improve overall furnace efficiency.

Gas Coal plays a critical role in modern blast furnace operations, offering flexibility in raw material sourcing while supporting stable, high-quality steel output.

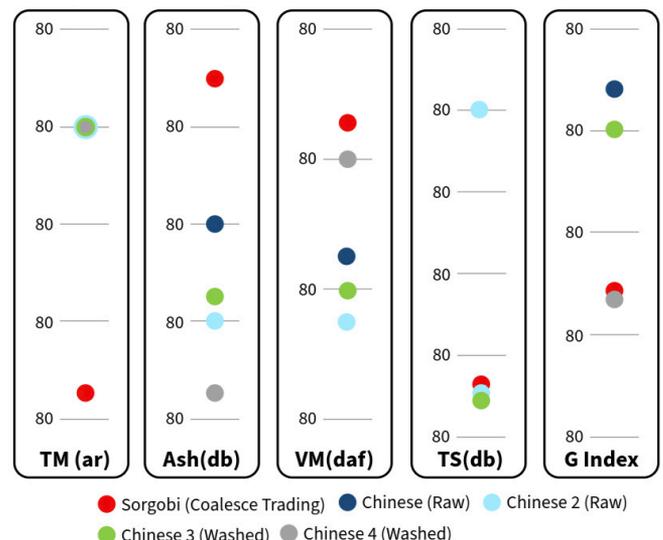
Sorgobi Gas Coal Advantages

- Sold as unwashed raw coal with ~70% of output delivered to Chinese blast furnaces.
- Supports blending with high-grade low-vol coking coals.
- Reduces oven wall pressure risks in by-product coke ovens, which are widely across Inner Mongolia.
- Coal quality is similar to Australian semi-soft coking coals or mid-vol PCI grades.

Chart: Sorgobi Gas Coal Key Values

Total Moisture	3.0 - 4.0%	Low surface moisture due to dry climate and short-haul distance
Ash Content	14 - 16%	Moderate ash, suitable for blending
Volatile Matter	39 - 42%	High volatile 'Gas Coal'
Fixed Carbon	46 - 48%	Typical for Gas Coal applications
Sulfur	0.5 - 0.7%	Low sulfur advantageous for many blends
G-Index	80 - 90	Reflects coke strength index contribution
Fluidity (Max)	500 - 2,000 ddpm	High fluidity valuable for coke oven operations
FSI	5 - 7	Good coking properties
CSR	60 - 65%	Used when blended; individual CSR will vary

Chart: Comparison of Sorgobi Coal Values



Key Markets & Customer Relationships

Coalesce Trading's commercial strategy is built around stable, long-term supply relationships with major steel producers in China. Leveraging Mongolia's geographic advantage and proximity to Inner Mongolia's industrial base, Coalesce has positioned Sorgobi Gas Coal as a valuable blending product that supports efficient and stable coke production.

Our marketing approach emphasizes pricing transparency, delivery reliability, and technical cooperation with end-users to optimize blending performance.

Commercial Highlights

Stable Bilateral Contracts: Coalesce Trading structures coal sales under fixed-price bilateral agreements with established buyers in Inner Mongolia, providing predictable volume off-take and long-term revenue visibility.

Index-Linked Pricing: Pricing uses the emerging 'Mysteel Gas Coal Inner Mongolia Index', which reflects regional supply-demand fundamentals and provides an increasingly accepted benchmark for Gas Coal transactions in Northern China.

Multi-Year Supply Stability: Commercial arrangements are designed to lock in multi-year delivery commitments, supporting both production planning and customer blending needs.

Blending Advantage: Sorgobi Gas Coal's unique high-volatile profile offers customers flexibility to optimize their coking coal blends, allowing partial substitution of higher-cost imported low-vol and PCI coals while maintaining operational stability in coke ovens.

Delivery Reliability: Proximity to the Khangai-Mandula border and ongoing integration of rail logistics ensures dependable and predictable delivery schedules, minimizing border congestion risk.

Technical Collaboration: Coalesce engages directly with customer technical teams to support blend optimization, maximize coking performance, and ensure long-term product suitability.



Coalesce's Growth Strategy

Coalesce Trading's growth strategy is designed to unlock the full potential of the Sorgobi resource, strengthen its logistical platform, and expand its position as a reliable supplier to China's coal market. The company's phased expansion plan includes resource development, infrastructure integration, and commercial growth.

With significant additional reserves and major infrastructure now coming online, Coalesce is positioned to increase production capacity, further optimize its operations, and deepen its long-term customer partnerships.

Growth Priorities

Resource Expansion Through Further Exploration Works: Ongoing exploration drilling of adjacent undeveloped pits within the Sorgobi license area will expand the reserve base and support production scalability significantly beyond the currently booked 20 million tons.

Scalable Production Increase: Mine plan expansion will allow total production to scale toward 3–4 million tons per annum, leveraging both existing operations and newly developed adjacent mining areas.

Rail Spur Integration: The construction and commissioning of a dedicated rail spur connecting directly to Mongolia's new east-west rail corridors is scheduled for full integration within 2025, significantly reducing transportation costs and improving delivery reliability.

Product Value Optimisation: Coalesce is evaluating the feasibility of constructing a coal washing plant to upgrade raw product into higher-value washed coal grades, expanding its market reach and improving product specifications and pricing.

Customer Base Growth: The company is actively building additional long-term supply agreements with top-tier Chinese steel producers and coke plant operators to diversify its off-take profile and secure multi-year sales stability.

Strengthened Logistics Partnerships: Coalesce is pursuing additional partnerships with midstream rail operators, border processing facilities, and trans-loading partners to ensure end-to-end logistics efficiency as volumes scale.



Risk Management & Corporate Governance

Coalesce Trading employs a disciplined and proactive risk management framework aligned with internationally recognised standards in the mining sector. The company's governance structure integrates operational controls, regulatory compliance, community engagement, and financial oversight to ensure the long-term stability and resilience of its operations.

By embedding risk assessment into every phase of its business Coalesce is able to anticipate challenges, safeguard operational continuity, and uphold its commitments to buyers, partners, and stakeholders.

Risk Management Approach

Geological & Technical Risk: Ongoing exploration programs and geotechnical studies are conducted to improve reserve confidence, validate new mining zones, and support responsible mine planning based on sound engineering data.

Market & Pricing Volatility: Long-term bilateral contracts, index-linked pricing mechanisms, and customer diversification strategies mitigate exposure to short-term market fluctuations.

Logistics & Infrastructure Risk: Direct border access, integration with newly developed rail corridors, and partnerships with reliable transportation providers ensure predictable and cost-efficient export logistics.

Regulatory & Legal Compliance: Full adherence to Mongolian mining laws, licensing requirements, environmental regulations, and permitting standards, combined with proactive engagement with government authorities.

Community Relations & Social License: Active consultation with local communities, local hiring and procurement policies, and continuous investment in workforce training and development strengthen Coalesce's long-term license to operate.

Financial Controls & Transparency: Independent financial audits, clear internal reporting structures, and disciplined capital management ensure financial transparency, investor confidence, and long-term fiscal discipline.



Community Commitments

As a family-owned enterprise with strong ties to Mongolia, we recognize our responsibility to ensure that the benefits of resource development extend directly to local communities. Our operations are designed not only to contribute to national economic growth, but to foster meaningful and sustainable opportunities for the people who live and work near our project sites.

At Coalesce Trading, community responsibility is embedded in every facet of our business, including:

Workforce Development: Coalesce prioritizes local employment. Our hiring approach focuses on providing long-term, stable employment opportunities that allow individuals to build careers in mining, logistics, administration, and technical disciplines.

Safe, Dignified, and Ethical Workplaces: Coalesce operates under a strict zero-tolerance policy for any form of forced labor, child labor, or exploitative employment practices. We are committed to creating safe, respectful, and dignified workplaces, guided by international best practices in occupational health and safety (OHS). All of our facilities are designed to meet both Mongolia's legal requirements and international standards for worker protection.

Responsible Supply Chains: Across the global resource industry, concerns have emerged around the ethics of supply chains. Our business model is deliberately structured to avoid the harms seen elsewhere, particularly around child labor, forced labor, and conflict materials. Our supply chain strategy reflects a fundamental respect for human dignity and responsible sourcing at every level.



Appendix: June 2025 Sorgobi Coal Analysis

ISO / AS Standard		As Received	Air Dried	Dry	Dry Ash Free
Total Moisture	%	3.29			
Moisture	%		0.51		
Ash	%	14.89	15.20	15.27	
Volatile Matter	%	40.46	39.70	41.46	45.60
Fixed Carbon	%	0.0	0.0	46	0.0
Total Sulphur	%	0.00	0.00	0.70	0.00
Gross Calorific Value	kcal/kg	6749	6888	6917	8164
Caking Analysis		As analysed	Ultimate%		Air Dried
CSN		5.11	Carbon		71.38
Gieseler Plastometer			Hydrogen		5.00
- Initial softening temp.	oC	0	Nitrogen		1.20
- Maximum fluidity temp.	oC	0	Sulphur		0.49
- Resolidification temp.	oC	0	Oxygen (by diff.)		
- Plastic range	oC	0	Ash analysis (%)		Dry
- Maximum fluidity	ddpm	0	SiO2	%	38.13
G Index	mm	94	Al2O3	%	19.64
Y Index	mm	11.6	Fe2O3	%	12.05
X Index	mm	37	CaO	%	10.69
Petrographic analysis		As analysed	MgO	%	5.05
Vitrinite Reflectance (Ro max)	%	0.63	Na2O	%	1.98
Vitrinite	%	79	K2O	%	0.84
Vitrinite Distribution			TiO2	%	1.27
V-5	%	31	Mn3O4	%	0.09
V-6	%	48	SO3	%	0.00
V-7	%	18	P2O5	%	0.59
V-8	%	2	BaO	%	0.00
V-9	%		SrO	%	0.00
V-10	%		ZnO	%	0.00
V-11	%		Physical Properties		
Trace Elements		As analysed	HGI		0.00
Arsenic	ug/G	8.14	Sizing	mm passing	
Phosphorous	ug/G	171.20	50	%	0.00
Fluorine	ug/G	102.00	31.5	%	0.00
Chlorine	ug/G	0.610	16	%	0.00
Mercury	ug/G	0.098	8	%	0.00
			4	%	0.00
			2	%	0.00
			1	%	0.00
Ash Fusion			0.5	%	0.00
Reducing Atmosphere			0.5	%	0.00
Initial deformation temp.	oC	1205	0.5	%	0.00
Spherical temp.	oC	1225	0.5	%	0.00
Hemispherical temp.	oC	1247	0.5	%	0.00
Flow temp.	oC	1262			



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