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MINISTRY OF INDUSTRY AND
MINERAL RESOURCES



STRATEGIC INVESTOR SELECTION DOCUMENT

INTEGRATED STEEL COMPLEX PROJECT

Prepared by: Working Group

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1 OBJECTIVE OF THE SELECTION PROCESS

The objective of this selection process is to identify and appoint a strategic investor through an open, transparent, and competitive procedure. The selected investor must demonstrate sufficient financial strength, proven technical expertise, robust management capabilities, and relevant international market experience to successfully develop and implement the “Integrated Steel Complex” project in Mongolia.

The "Integrated Steel Complex" project is of strategic significance, aimed at advancing Mongolia's industrial sector, increasing domestic steel production, reducing import dependency, strengthening the linkages between the mining and processing industries, and ultimately creating value-added manufacturing capacity.

Within the scope of this selection process, prospective investors (hereinafter referred to as “Participants”) will undergo a comprehensive evaluation based on multiple criteria, including financial capacity, technical and technological expertise, production management capabilities, and the robustness of their international steel market distribution networks. Participants demonstrating the capacity to successfully execute the project will be duly identified accordingly.

The primary objective of this selection process is to conclude an investment and cooperation agreement with a strategic investor who possesses the necessary financial resources, technological capabilities, management expertise, and market access to implement the “Integrated Steel Complex” project, and whose proposal delivers the highest economic returns and benefits to Mongolia.

2 GENERAL PROJECT INFORMATION

<p>1. Project Name</p>	<p>Integrated Steel Complex</p>
<p>2. Project Rationale</p>	<p>Mongolia's long-term development policy documents — including "Vision 2050," the "Fundamental Guidelines for Mongolia's Development 2026–2030," the "New Revival Policy," and the Government Action Plan 2024–2028 — all incorporate objectives for developing domestic raw material-based, value-added manufacturing.</p> <p>Within the framework of these policies, leveraging the iron ore reserves of the Darkhan-Selenge region, the project aims to produce a minimum of 1 million tonnes finished steel products annually, thereby meeting domestic demand for iron and steel, reducing import dependence, and increasing export capacity.</p>
<p>3. Project Implementing Entities</p>	<p>Ministry of Industry and Mineral Resources: The MIMR is responsible for policy formulation and planning in Mongolia's heavy industry, geology, and mining sectors. It will oversee state policy, support, and regulatory coordination for the Integrated Steel Complex project.</p> <p>Erdenes Mongol Group: A state-owned national holding company mandated to bring strategic mining, infrastructure, and energy deposits into economic circulation. Operating 32 subsidiaries with over 18,500 employees under unified management, the company holds 69 mineral mining licenses and 19 exploration licenses, and controls approximately 22% of nationally registered coal reserves, 38% of copper reserves, 22% of fluorspar reserves, and 15% of iron ore reserves, accounting for approximately 30% of Mongolia's total export revenue. Erdenes Mongol Group serves as the primary project owner and will provide unified leadership and coordination to its subsidiaries participating in the project, operating in accordance with Government directives.</p> <p>Darkhan Metallurgical Plant LLC (DMP): By Resolution No. 429 of the Government of Mongolia dated 30 November 2022, "Erdenes Mongol" LLC was designated as the state shareholder of "Darkhan Metallurgical Plant" LLC, and a decision was made to operate it within the group. This plant is Mongolia's pioneering steel producer in the metallurgical sector, operating on the basis of scrap iron smelting technology to produce rolled steel products. The plant was originally established in Darkhan city pursuant to Resolution No. 160 of the Council of Ministers of the Mongolian People's Republic in 1990, under a bilateral intergovernmental cooperation agreement between Mongolia and Japan, based on the iron ore deposits of the Darkhan–Selenge region. It holds the Khust-Uul, Tumurtei, and Tumurtolgoi deposits with total ore reserves of 234.8 million tonnes.</p>

	<p>Currently, it extracts 2–3 million tonnes of ore per year with 42–45% Fe content from the Tumurtei and Tumurtolgoi deposits, processes it at a dry magnetic separation plant equipped with modern mining equipment from the United States, Germany, and China, and has a production capacity of 2.0 million tonnes of 0–10 mm and 10–40 mm grain-size, 55–58% Fe content whole and powdered concentrate. The iron ore deposits under its ownership shall supply the primary raw materials required for the Integrated Steel Complex.</p> <p>Erdenes ITP LLC: Pursuant to Government Resolution No. 257 of 2023, following the adoption by the State Great Khural of Mongolia of the Law on the Legal Status of Industrial and Technology Parks (revised edition) in 2022, a decision was made to establish "Erdenes ITP" LLC as a subsidiary within the Erdenes Mongol Group. This entity is responsible for organizing the establishment and operationalization of the Industrial and Technology Park (ITP) as envisaged in the strategic plan of the Erdenes Mongol Group, and shall organize the planning, implementation, and oversight of the "Integrated Steel Complex" project to be implemented within the Darkhan ITP framework.</p>
<p>4. Project Location</p>	<p>Within the territory of the Industrial and Technology Park covering an area of 651 hectares, located in Orkhon Soum, Darkhan-Uul Province.</p>
<p>5. Project Objectives</p>	<ul style="list-style-type: none"> - Promote sustainable economic growth in Mongolia.; - Enhance and strengthen industrial infrastructure. - Process iron ore concentrate into final value-added products and by-products; - Substitute for imports and satisfy domestic demand; - Manufacture export products and increase foreign currency revenues; - Introduce advanced technologies and promote their localization in production processes. - Construct and commission a plant with minimal environmental impact; - Develop the next stage of high-technology product manufacturing; Create local employment and develop a qualified workforce.
<p>6. Proposal Submission Deadline</p>	<p>18:00 pm on 11th of May 2026 (GMT+8)</p>
<p>7. Project Scope and Capacity</p>	<p>A fully integrated steel complex with a minimum annual capacity of 1.0 million tonnes, based on blast furnace technology. This shall include:</p> <ul style="list-style-type: none"> - Iron ore beneficiation plant - Raw material preparation plant (sintering, pelletizing, coking, lime, etc.)

- Steel smelting and rolling plant
- Power generation plant
- Transport and logistics infrastructure
- Water supply and treatment facilities
- Office and social infrastructure

8. Primary Raw Materials

Primary raw materials for steel production: Iron ore, limestone, coking coal.

Mineral Reserve held by "Darkhan Metallurgical Plant" LLC:

Deposit Name (Reserves, Mt)	Ore Mineral	Reserve Classification	Deposit Type	Fe (%)	S (%)	P (%)
Tumurtolgoi (25.03 Mt)	Magnetite	B+C1, C2	Oxidized, High-sulfur	53.56	2.45	0.04
Tumurtei (229.3 Mt)	Magnetite	B+C1, C2	Oxidized, Low/High-sulfur	50.87	0.83	0.05
Khust-Uul (12.6 Mt)	Magnetite	B+C, P	High-sulfur	42.25	2.5	0.05

Raw material supply shall be secured on a long-term and stable basis from the deposits of the Darkhan–Selenge region as well as from the Tavan Tolgoi deposit.

9. Investment Incentives and Guarantees

The Government of Mongolia shall conclude an investment agreement with the selected investor and shall provide tax and non-tax incentives as stipulated in the Law on Investment.

The following concessions shall be granted pursuant to the Law on the Legal Status of Industrial and Technology Parks and other applicable legislation:

- ✓ Exemption from customs duties for 5 years;
- ✓ Deferral of import VAT on construction materials, infrastructure, and equipment that cannot be sourced domestically and are required to create fixed assets, for a period of 4 years;
- ✓ Exemption from land use fees for 10 years;
- ✓ 100% reduction of immovable property tax for the first 5 years, and 50% reduction for the following 5 years;
- ✓ Concession and exemption from workplace permit fees for foreign workers;
- ✓ VAT on final products shall be calculated at 0%.

Note: Stabilization of the tax environment and other concessions and exemptions as provided for under the Law on Investment may be negotiated during the course of negotiations.

<p>10. General Investment and Cooperation Terms</p>	<p>All forms of investment proposals, including joint and independent initiatives, are welcome for consideration in the implementation of the project.</p> <p>The investor shall fully finance the project and be responsible for all phases of implementation, including feasibility studies, engineering design, construction and installation, commissioning, production, and market supply.</p> <p><i>Note: The terms of long-term partnership on exploitation of the deposit with the selected investor may be negotiated during the course of negotiations.</i></p>
<p>11. Technology Requirements</p>	<ol style="list-style-type: none"> 1. Technology solution suited to the characteristics of the iron ore deposits of the Darkhan–Selenge region, capable of producing high-quality steel at low cost; 2. Use of modern technology to separate and classify non-metallic elements such as sulfur and phosphorus contained in iron ore raw materials; 3. Technological capability to reduce sulfur content in the final product to levels compliant with international standards; 4. Primary equipment to be internationally proven, reliable, and incorporating automation to reduce human involvement in technologically feasible processes; 5. Compliance with comprehensive standards pertaining to plant operations, occupational safety and health, environment, waste management, and final product quality; 6. Filtration and purification systems for the reduction of CO₂, SO₂, and other harmful gas emissions; 7. Pursuit of recycling options for solid and liquid industrial waste, and implementation of environmentally friendly waste management; 8. Proposals for reuse and processing of industrial waste and by-products, including surplus heat and gas from the plant; 9. Energy- and water-efficient technological solutions. 10. The complex shall have a stable internal power supply and the capability to connect to the national grid; 11. The feasibility of meeting the plant’s operational water demand through the use of treated wastewater from Darkhan city shall be explored. 12. Concentrate quality to meet the standard requirements applicable to blast furnace (BF+BOF) steel production.
<p>12. Environmental Requirements</p>	<ul style="list-style-type: none"> - Compliance with Mongolian legislation and international best practices; - Control and containment of dust, noise, and harmful gas emissions within standard levels; - Incorporation of green production principles with minimal negative environmental impact; - A comprehensive environmental protection plan addressing the disposal, storage, and processing of industrial ordinary

	and hazardous waste in accordance with applicable laws and regulations; green landscaping of the plant environment; and measures to protect the surrounding environment and biological diversity.
13. Project Implementation Timeline	A steel plant with a minimum capacity of 1 million tonnes per annum shall be commissioned within 36 months from the date of contract execution.

3 GENERAL REQUIREMENTS FOR PARTICIPANTS

3.1 Legal Requirements

A Participant must be a legal entity duly established under the laws of its country of incorporation.

The Participant entity shall:

- Conduct its operations in full compliance with applicable laws and regulations;
- Not be subject to bankruptcy or insolvency proceedings;
- Not have its operations restricted by court order;
- Not have been convicted by a court judgment in connection with serious violations related to corruption or international money laundering;
- In cases of participation as a consortium, all consortium members shall satisfy these requirements.

3.2 Financial Requirements

The Participant entity must have the financial capability to participate in the project investment, and shall satisfy the following conditions:

- Demonstrate stable financial operations;
- Possess the independent capability to fully secure the financial resources required for project implementation.

3.3 Operational Requirements

The Participant entity shall be engaged in, or have relevant experience in, the steel manufacturing sector.

This includes:

- Having been responsible for, or having participated in, the construction, operation, and management of a steel plant with a minimum capacity of 1 million tonnes per annum;
- Possessing a professional engineering and design team with specialized experience;
- Having a track record of conducting trade, business, and manufacturing operations internationally.

The following conditions shall constitute a competitive advantage for a Participant:

- Holder of patents covering intellectual property rights in steel manufacturing technology;

- Having the human resources capability to ensure long-term stable and efficient plant operations, guarantee reliable technology performance, localize technology, and train, educate, and employ domestic workforce in connection with the relevant manufacturing;
- Possessing energy-efficient technology with minimal negative environmental impact;
- Having established distribution channels and experience for marketing products in international markets;
- Having implemented international steel plant projects and currently operating steel manufacturing facilities;
- Having systematically implemented, from the earliest planning stages, measures for emission control, dust management, treatment of slag, sludge, and wastewater, and mitigation and remediation of adverse environmental impacts from industrial operations within the industrial and technology park;
- Having plans to develop downstream manufacturing facilities within the industrial and technology park;
- Having a policy for training, developing, and prioritizing the employment of domestic human resources.

3.4 Participation as a Consortium

Participation in the selection process as a consortium is permitted.

In the event of consortium participation:

- The composition of consortium members, participation structure, equity interests, and designated functions shall be clearly specified, and consortium members shall designate one member as the Lead Participant of the consortium;
- It shall be clearly specified which consortium member is responsible for satisfying each of the legal, financial, and technical requirements, substantiated by the corresponding supporting documentation.

3.5 Absence of Conflicts of Interest

The Participant entity shall have no conflicts of interest in the selection process. Specifically, entities with conflicts of interest involving:

- The Evaluation Committee;
- The organizing entity of the selection process;
- Project consultants;

shall not participate in the selection process.

4 STAGES OF THE SELECTION PROCESS

The selection of the strategic investor and the execution of the investment agreement shall proceed in the following **3 stages**:

Stage I — Pre-Qualification

In this stage, Participants will be evaluated on:

- Financial capacity;
- Technical and technological capability;
- Management capability;
- Market capability.

The top 5 Participants (at most) achieving the highest scores shall be deemed to have passed the Pre-Qualification stage.

Stage Process:

1. Publication of the selection announcement
2. Receipt of Participant applications and materials
3. Verification of completeness and compliance of submitted materials
4. Conduct of evaluation
5. Identification of the top 5 qualifying Participants

Stage II — Detailed Proposal Evaluation

Participants who have passed the Pre-Qualification stage shall submit the following proposals:

- Investment proposal;
- Project implementation plan;
- Technology solution;
- Financing structure;
- Terms and conditions for cooperation.

In this stage, **1 Participant** who has proposed the most advantageous option for Mongolia shall be selected and presented to the Government.

Stage Process:

1. Notification to Participants who passed pre-qualification
2. Organization of bilateral official meetings in connection with detailed proposal submission
3. Site visits and familiarization with Participant operations
4. Provision of additional required information to Participants
5. Facilitation of site visits to the project location and mines (where applicable)
6. Receipt of detailed proposals

7. Verification of completeness and compliance of submitted materials
8. Conduct of evaluation
9. Identification of the 1 highest-ranked proposal

Stage III — Negotiations and Contract Execution

In this stage, detailed negotiations shall be conducted with the selected Participant to agree upon the specific terms and conditions for joint project implementation. The process shall be organized in accordance with the Investment Law of Mongolia and the Regulations on Investment Agreement Execution.

The following matters shall be determined in the course of negotiations:

- Volume and structure of investment;
- Joint venture structure;
- Financing mechanism;
- Raw material supply arrangements;
- Market and sales organization;
- Project implementation timeline;
- Risk allocation;
- Environmental monitoring and responsibilities;
- Tax environment;
- Other matters.

Following the conclusion of negotiations, an investment agreement shall be executed in accordance with Mongolia's applicable legislation, upon presentation to the relevant authorities, based on the mutually agreed terms and conditions.

5 EVALUATION METHODOLOGY AND SUPPORTING EVIDENCE

5.1 Evaluation Methodology for Pre-Qualification

Evaluation Principles

In the first stage of the selection process, Participants' financial capacity, technical and technological capabilities, management experience, and market capabilities shall be evaluated using a scoring system in accordance with international standards.

The following principles shall be observed in the evaluation:

- Transparency and fairness;
- Equal opportunity for all Participants;
- Evidence-based assessment;
- Consideration of international project implementation experience;
- Identification of capability to ensure successful project implementation.

The total evaluation score is 100 points.

Evaluation Structure

Evaluation Criterion	Point
Financial Capacity	30
Technical and Technological Capability	30
Management Capability	20
Market Capability	20
Total	100

Participants must achieve a score of 70 or above to advance to the next stage. Qualifying Participants are ranked by score, and the top 5 (at most) are deemed to have passed the Pre-Qualification.

Financial Capacity (30 Points)

This criterion aims to determine whether the Participant entity has the genuine capacity to finance the substantial investment required for the project. Financial capacity shall be assessed based on audited financial statements for the most recent 3 years.

No.	Indicator	Description	Score
1	Equity	Reflects the company's actual financial strength.	10
2	Debt-to-Equity Ratio	Assesses the company's debt burden.	10
3	Net Profit Margin	Evaluates profitability over the last 3 years.	5
4	Cash Flow Capacity	Reflects operating cash flow and capacity to raise capital.	5

No.	Indicator	Description	Score
Total			30

Equity (10 Points)

This criterion determines the Participant entity's fundamental financial base and its capacity to contribute equity to the project investment. The higher the equity, the greater the entity's financial capacity to participate in a large-scale investment project. This evaluation is based on the company's most recent year's audited financial statements.

Equity	Score
USD 3 billion or above	10
USD 1–3 billion	8
USD 500 million – 1 billion	6
Below USD 500 million	2

Debt-to-Equity Ratio (10 Points)

This criterion aims to assess the financial stability and level of debt burden of the Participant entity. An excessively high debt level increases the company's financial risk and reduces its capacity to implement new large-scale investment projects. This evaluation is based on the company's most recent year's audited financial statements.

Ratio	Score
< 1.0	10
1.0 – 1.5	8
1.5 – 2.0	5
> 2.0	2

Debt-to-Equity Ratio = Total Liabilities / Equity

Net Profit Margin (5 Points)

Net Profit Margin represents the percentage of total revenue that converts to net profit, and reflects a company's operational efficiency, cost management, and financial stability.

Net Profit Margin (3-year average)	Score
≥ 10%	5
8 – 10%	4
5 – 8%	3
0 – 5%	2

Net Profit Margin = Net Profit / Total Revenue

- Net Profit Margin shall be calculated as the 3-years average.
- Financial information shall be verified by audited financial statements.
- If any loss-making year occurred during the last 3 years, the score for this indicator may be reduced accordingly.

Cash Flow Capacity (5 Points)

This criterion aims to assess whether the Participant entity's operating cash flow provides sufficient financial capacity to participate in a large-scale investment project. Companies with stable and substantial cash flows have a greater ability to finance project investment, fulfill debt obligations, and attract additional financing during project implementation.

The evaluation shall be conducted based on the average Operating Cash Flow calculated from the Participant entity's audited financial statements for the most recent 3 years.

Operating Cash Flow (3-year average)	Score
≥ USD 5 billion	5
USD 2 – 5 billion	4
USD 500 million – 2 billion	3
< USD 500 million	2

Technical and Technological Capability (30 Points)

This criterion aims to evaluate the Participant entity's experience, engineering capability, and ability to introduce environmentally sound technologies for the successful technical and technological implementation of a large-scale steel plant project.

No.	Indicator	Description	Score
1	Experience in constructing and commissioning steel plants	Experience in integrated steel plant projects	10
2	Technology level	Use of modern steel manufacturing technology	10
3	Environmentally friendly technology (ESG)	Carbon reduction and eco-friendly technology	5
4	Engineering and technology capability	Project engineering and technology team capacity	5
Total			30

Experience in Constructing and Commissioning Steel Plants (10 Points)

This criterion evaluates whether the Participant has substantive experience in constructing and commissioning steel plants.

The following factors shall be considered in the evaluation:

- Track record of internationally implemented integrated steel plant projects;
- Capacity of the implemented projects.

International Experience		Project Capacity	
Experience	Score	Project Capacity	Score
Steel plant projects implemented in 2 or more countries (excluding own country)	4	≥ 5 million tonnes of steel	6
Projects implemented in 1 foreign country	3	3 – 5 million tonnes	4
Projects implemented domestically only	2	1 – 3 million tonnes	3
		< 1 million tonnes	2

When calculating the capacity of implemented projects, only the capacity of the single largest project shall be considered, not the aggregate of multiple plants.

Technology Level (10 Points)

This criterion evaluates whether the Participant entity has the capability to utilize modern steel manufacturing technology.

Technology Level	Score
Operates a fully integrated production chain from iron ore mining and beneficiation through to steel production	5
Utilizes BF + BOF technology	1
Has implemented plant automation systems (process automation)	1
Processes and utilizes by-products (slag, gas, etc.)	1
Has implemented an integrated production control system	1
Has implemented waste heat recovery and energy efficiency technology	1
Total	10

To facilitate this evaluation, the Participant shall submit the required information, including a presentation of the technology currently in use demonstrating compliance with the above criteria.

Environmentally Friendly Technology (ESG) (5 Points)

This criterion assesses whether the participating entity has experience in implementing environmentally sound technologies and carbon emissions-reduction solutions.

The following factors shall be considered:

- Low-carbon steel technology;
- Energy efficiency technology;
- Waste heat recovery;
- Emission control technology;
- Environmental management systems.

Indicator	Score
Has implemented greenhouse gas emission reduction technology (low-carbon steel, CO ₂ reduction technology)	2
Utilizes modern filtration and purification technology to reduce industrial gas, dust, and pollution	1
Has implemented an environmental management system (e.g., ISO 14001)	1
Prepares ESG and SDG reports	1
Total	5

Engineering and Technology Capability (5 Points)

This criterion evaluates whether the Participant entity has a professional team capable of planning, implementing, and commissioning a large-scale steel plant project from an engineering perspective.

The following factors shall be considered:

- Engineering team experience;
- Metallurgical specialists;
- Project engineering capabilities;
- Technology licenses and know-how.

No.	Indicator	Score
1	Has an engineering team with steel plant design and engineering experience	2
2	Has a team with experience in engineering and project management of large-scale industrial projects	1
3	Holds technology licenses and know-how in steel manufacturing	2
Total		5

Management Capability (20 Points)

This criterion aims to evaluate whether the Participant entity has the management experience to efficiently operate a steel plant, ensure stable production operations, and compete in international markets.

The evaluation shall consider the Participant entity's:

- Steel production capacity;
- Plant operational experience;
- Plant management systems;
- International operational experience.

No.	Indicator	Description	Score
1	Steel production capacity	Reflects the Participant entity's current scale of steel production and operational scope.	7
2	Steel plant operational experience	Reflects the duration of stable steel plant operations and operational track record.	5
3	Plant management systems	Internal management systems and standards for plant operations.	4
4	International operational experience	Track record and scope of international market operations and partnerships.	4
Total			20

Steel Production Capacity (7 Points)

This criterion aims to evaluate the Participant entity's current steel production capacity and the scale of its production operations. Companies with larger production capacities are considered to have greater experience and management capability for efficiently operating a steel plant and ensuring stable production.

Annual Steel Production Capacity	Score
≥ 20 million tonnes/year	7
10 – 20 million tonnes/year	5
5 – 10 million tonnes/year	3
1 – 5 million tonnes/year	2

Steel Plant Operational Experience (5 Points)

This criterion evaluates whether the Participant entity has long-term experience operating steel plants in a stable manner. Long-term plant operating experience demonstrates the entity's ability to manage production technology, maintenance, and continuous production operations.

Experience	Score
≥ 40 years	5
20 – 40 years	4
10 – 20 years	3
< 10 years	1

Plant Management Systems (4 Points)

This criterion evaluates whether the Participant entity has implemented management systems to efficiently operate the plant and ensure production quality, safety, and internal controls.

Indicator	Score
Implements a quality management system (e.g., ISO 9001)	1
Implements a production management system	1
Implements an occupational health and safety management system	1
Implements internal audit and risk management systems	1
Total	4

International Operational Experience (4 Points)

This criterion aims to evaluate the Participant entity's experience in international markets and the breadth of its cooperative activities. Companies with international experience have the management expertise, market understanding, and capacity to operate in accordance with international standards required for implementing large-scale industrial projects.

Indicator	Score
Owns or operates steel plants internationally	2
Exports steel products to international markets	1
Has international partnership and cooperation experience	1
Total	4

Market Capability (20 Points)

This criterion aims to evaluate whether the Participant entity has stable supply and distribution networks for steel products in international and regional markets, as well as its sales experience and market positioning.

The success of a steel manufacturing project is directly linked not only to production capacity but also to the ability to consistently supply products to the market, sales

channels, and customer networks. Accordingly, the evaluation shall consider the Participant entity's export experience, international sales network, market experience, and long-term customer relationships.

No.	Indicator	Description	Score
1	Steel product export experience	Track record of supplying steel products to international markets	7
2	International sales network	Stable distribution channels in regional and global markets	5
3	Long-term customer and buyer network	Established long-term buyers and partners for steel products	4
4	Market research and sales strategy	Capability to identify market demand and develop sales strategies	4
Total			20

Steel Product Export Experience (7 Points)

This criterion aims to evaluate whether the Participant entity has substantive experience in supplying steel products to international markets. Export experience demonstrates the entity's track record in international trade, logistics, product standards compliance, and meeting customer requirements.

Annual Export Volume	Score
≥ 10 million tonnes/year	7
5 – 10 million tonnes/year	5
1 – 5 million tonnes/year	3
< 1 million tonnes/year	1

International Sales Network (5 Points)

This criterion aims to evaluate whether the Participant entity has a stable distribution network in international and regional markets. Companies with an extensive sales network are able to supply products to diverse markets, mitigate market risks, and ensure sales stability.

Indicator	Score
Sales network covering 3 or more regions (e.g., Asia, Europe, America)	5
Sales network covering 2 regions	4
Sales network covering 1 region	2

Indicator	Score
Domestic market only	1

Long-Term Customer and Buyer Network (4 Points)

This criterion evaluates whether the Participant entity has established stable buyers and industrial customers for steel products. Long-term buyer relationships are a critical factor in ensuring stable sales and mitigating market risks.

Indicator	Score
Has executed long-term sales contracts (offtake agreements)	2
Has stable industrial customers and partners	1
Has major international buyers	1
Total	4

Market Research and Sales Strategy (4 Points)

This criterion aims to evaluate whether the Participant entity has the capability to identify steel product market demand, adapt to market changes, and develop long-term sales strategies.

Indicator	Score
Conducts regular international market research	1
Has developed a sales strategy and plan	1
Has a product portfolio aligned with regional market demand	1
Has an international marketing and sales team	1
Total	4

5.2 Evaluation Methodology for the Detailed Proposal Assessment Stage

In this stage, Participants who have passed the Pre-Qualification shall submit a Final Investment Proposal (detailed proposal) related to project implementation, which shall be evaluated accordingly.

The detailed proposals shall comprehensively address the following: the investment structure and financing sources, technology solution, project implementation plan, production capacity, product markets, and economic returns, among other matters.

The objective of the evaluation at this stage is to comparatively assess the proposals submitted by Participants on the basis of economic, financial, and technological indicators, in order to identify the most advantageous and efficient option for Mongolia.

Evaluation Principles

The detailed proposal evaluation shall adhere to the following principles:

- Evaluation with consideration of the overall economic benefits to be delivered to Mongolia;
- Assessment of the financial viability and feasibility of the project;
- Consideration of technology solutions, production efficiency, and environmental impact;
- Evaluation of the long-term operational stability and market opportunities of the project.

The evaluation shall be conducted based on the detailed financial and technical calculations submitted by the Participant entities.

Key Evaluation Criteria for the Detailed Proposal

The detailed proposal evaluation shall consider the following key matters:

1. Investment Proposal

The following aspects of the Participant entity's proposal shall be evaluated:

- Total investment amount;
- Investment structure and equity ownership;
- Equity-to-debt ratio;
- Sources of financing.

2. Financial Returns of the Project

The economic returns of the project shall be evaluated based on the following indicators:

- Net Present Value (NPV) of the project;
- Internal Rate of Return (IRR);
- Project cash flow;
- Investment payback period;
- Returns accruing to the Mongolian side from the project.

3. Economic Benefits to Mongolia

The impact of project implementation on Mongolia's economy shall be evaluated in terms of:

- Employment creation potential;
- Specialist training opportunities;
- Utilization of domestic raw materials;
- Tax and government revenue contributions;
- Impact on domestic production and value chain.

4. Technology Solution and Production Efficiency

The following aspects of the Participant entity's proposal shall be evaluated:

- Technology solution;
- Production capacity;
- Production efficiency;
- Environmental impact.

5. Project Implementation Plan

The following timeline elements shall be evaluated:

- Design and engineering timeline;
- Construction timeline;
- Production commencement timeline.

Final Selection

Following the detailed proposal evaluation, the proposals submitted by Participants shall be comparatively assessed, and the Participant who has submitted the most economically beneficial, feasible, and sustainable proposal for Mongolia shall be selected.

Negotiations regarding project implementation shall be conducted with the selected Participant, and the process for executing the investment and cooperation agreement shall be organized accordingly.

5.3 Supporting Documentation

For the purpose of verifying the information required to conduct the selection evaluation, the Participant entity shall compile and submit the documents and information necessary to substantiate the criteria and indicators specified in this document.

The submitted documentation shall serve as the evidentiary basis for the evaluation criteria, including the Participant entity's financial capacity, technical and technological experience, management capability, and market opportunities.

The Participant entity shall submit the following primary documents. All submitted materials shall be in **English**.

1. General Organizational Information

- Organizational profile;
- Company structure and shareholder information;
- Primary business activities;
- International operations information.

2. Financial Documentation

To evaluate financial capacity, the Participant entity shall submit the following:

- Audited financial statements for the most recent 3 years.

The Evaluation Committee may, where necessary, request submission of additional financial information.

3. Supporting Documentation for Technical and Technological Capability

To evaluate technical and technological capability, the Participant entity shall submit the following information:

- List of implemented steel plant projects;
- Brief project descriptions;
- Project capacity;
- Project implementation timeline;
- Role performed in project implementation (investor, operator, EPC, etc.);
- Description of technologies utilized;
- Information on engineering and technical personnel.

The Participant entity shall also submit any additional information required for the evaluation.

4. Supporting Documentation for Environmental Technology

To substantiate the implementation of environmentally sound technologies, the Participant entity shall submit the following:

- Environmental management system certification;
- Information on greenhouse gas emission reduction technologies;
- Description of technologies for reducing industrial waste and pollution;
- ESG and sustainability reports (if available).

5. Supporting Documentation for Management Capability

To substantiate management capability, the Participant entity shall submit the following:

- Steel plant operational information;
- Production capacity data;
- Information on plant management systems;
- Profile of the project management team.

6. Supporting Documentation for Market Capability

To evaluate market capability, the Participant entity shall submit the following:

- Steel product sales data;
- Export volumes;
- Principal sales markets;
- Information on long-term buyers and partner organizations.

Additional Notes

The Participant entity bears full responsibility for the accuracy of all submitted information. If submitted information is found to be false, misleading, or unsubstantiated by supporting documentation, this shall constitute grounds for disqualification of that Participant from the selection process.

The Evaluation Committee may, where deemed necessary, request Participants to submit additional clarifications or documentation.

Where necessary, the Participant may execute a non-disclosure agreement with the receiving party prior to submitting information.

6 GROUNDS FOR DISQUALIFICATION

In the course of reviewing materials submitted by interested parties during the selection process, a Participant shall be disqualified if any of the following conditions are identified:

6.1. Incomplete Submission of Materials

If required materials and information as specified in the selection documents have not been submitted in full, or if submitted documents are incomplete, unclear, or non-compliant, the Participant shall not be admitted to the evaluation.

6.2. Submission of False or Misleading Information

If the submitted materials are found to contain:

- False information;
- Representations that misrepresent material facts;
- Intentional misrepresentation of documents;

the Participant shall be disqualified.

6.3. Serious Financial Risk

If the Participant entity:

- Has entered into bankruptcy proceedings;
- Has become insolvent;
- Has had its operations restricted by court order;

it shall be disqualified.

6.4. Conflict of Interest

If conflicts of interest are identified involving:

- The Evaluation Committee;
- The organizing entity of the selection process;
- Project consultants;

the Participant shall be disqualified.

6.5. Serious Legal Violations

If the Participant entity or its management has been the subject of court judgments in connection with serious violations including:

- Corruption;
- Financial fraud;

- Illegal business activities;

the Participant shall be disqualified.

6.6. Subject to International Sanctions

If the Participant entity or its shareholders are included on:

- International sanctions lists;
- Financial sanctions lists;
- Terrorist financing lists;

the Participant shall be immediately disqualified.

6.7. Violation of Selection Procedures

If any of the following acts are identified during the selection process:

- Illegal influence;
- Offering of bribes;
- Attempts to influence the evaluation process;

the Participant shall be disqualified.

6.8. Failure to Meet General Participant Requirements

If a Participant fails to meet the general requirements for Participants in the selection process, the submitted proposal shall not be admitted to the evaluation.

7 SUBMISSION OF SELECTION MATERIALS

Interested parties wishing to participate in the selection process shall compile the following documents and submit them electronically to industry@mmhi.gov.mn by no later than **18:00 pm on 11 May 2026 (GMT+8)**, and shall also deliver sealed hard copy to the address below. (*Original hard copy documents shall be prepared in 2 copies and submitted before the above-specified deadline.*)

Address: Room 402, Department of Industrial Policy, Ministry of Industry and Mineral Resources, Government Building No. 2, United Nations Street-5/1, Chingeltei district, Ulaanbaatar, 15160, Mongolia

The Participant shall prepare and submit the following documents:

- An official letter expressing the Participant's intention to participate in the strategic investor selection process and confirming its capability to independently or jointly with a partner fully finance the project investment;
- A declaration confirming compliance with the general requirements for Participants, together with supporting documents;
- Supporting documents required for the evaluation as specified in Section 5.3 of this document;
- Any other additional information that the Participant considers necessary to submit.

Applications and documents to participate in the selection process shall be prepared and submitted in **English**. Submission of incomplete information that renders evaluation impossible, or discrepancies between documents submitted electronically and in hard copy, may result in a reduction of the evaluation score or a refusal to conduct the evaluation.

Note: Participants shall clearly distinguish and label the 2 sets of sealed hard copy documents as 'Original' and 'Copy'.

For inquiries and additional information relating to the selection process, please contact: gankhuyag@erdenesitp.mn and byambajav.b@mmhi.gov.mn

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