

Steppe Gold Announces Q2 2025 Financial Results; Expiry of Forward Contract; Management and Board Changes

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Ulaanbaatar, August 13, 2025 - [Steppe Gold Ltd.](#) (TSX: STGO) (OTCQX: STPGF) (FSE: 2J9) ("Steppe Gold" or the "Company") is pleased to announce its financial results for the quarter ended June 30, 2025.

Second Quarter Highlights

All figures in US\$000's unless stated otherwise, except per unit figures which are in US\$. Unless otherwise noted or the context indicates otherwise, "Group" refers to the Company and its subsidiaries, including Boroo Gold LLC ("Boroo Gold").

- Total Group revenue for the three months ended June 30, 2025, amounted to \$32,327 on combined sales of 15,058 ounces of gold.
- Total Group revenue for the six months ended June 30, 2025, amounted to \$64,695 on combined sales of 30,669 ounces of gold.
- Average realized prices for the three and six months ended June 30, 2025, were \$2,147 and \$2,109, respectively, per gold ounce, reflecting the impact of a forward sales contract fixed at \$2,000 per ounce. The forward contract expired on June 10, 2025 and all subsequent sales are now occurring at spot price.
- On a combined mine basis for the three and six months ended June 30, 2025, the Group produced 13,000 and 32,831 ounces of gold and sold 15,058 and 30,669 ounces of gold, respectively.
- Altan Tsagaan Ovoo ("ATO") production was slightly below plan in the first half of 2025 as operations focused on operational readiness of the new crushing plant.
- Adjusted EBITDA after maintenance capital expenditures for the Group for the three months and six months ended June 30, 2025, was \$17,890 and \$36,512 respectively. Income tax payments of \$18,192 were made during the six months ended June 30, 2025.
- Site All in Sustaining Costs for the Group was \$1,088 for the six months ended June 30, 2025. All in Sustaining Costs was \$1,475 and \$1,228 for the three and six months ended June 30, 2025 primarily due to higher sustaining capital expenditure incurred in 2025 with new fleet additions, primarily at the Boroo Mine.
- The Group reported strong working capital of \$141,709 as at June 30, 2025. Working capital included high interest bond investments of \$100,388 which accrue interest at between 8% to 13.4% and mature on December 31, 2025. The repayment of these bonds, with an estimated value at maturity of approximately \$104,000, will be applied to debt reduction and working capital needs.
- As at June 30, 2025, Group net debt was \$58,322, after deduction of the bond investments. Following the acquisition of all of the shares of Boroo Gold, the Group has been actively working with its principal lenders at the Trade and Development Bank of Mongolia to restructure debt facilities, repay higher rate loans, and better align its combined debt facilities with cash flow at the operating mines and the upcoming bond maturity.
- With strong gold prices, the Group expects to see strong operating cash flow in the second half of 2025 as well as continued investment in fleet upgrades.
- Higher gold prices are providing strong support to exploration activities. This should lead to mine life extension at Boroo and Ulaanbulag and revised feasibility studies are expected later this year.

- The Group is also actively reviewing its financing options for the ATO Phase 2 Expansion (the "Phase 2 Expansion"), including the impact of the stream arrangements on project debt availability and other factors. It expects to renegotiate the terms of the financing of the Phase 2 Expansion with its stakeholders in the coming weeks.
- At the Boroo Gold and ATO mine sites, there were 557,766 tonnes of ore mined and 463,067 tonnes of ore processed, with an average gold grade of 0.94 g/t and 211,489 tonnes of ore with an average grade of 0.25 g/t that underwent primary leaching during the three months ended June 30, 2025. There were 2,116,581 tonnes of ore mined and 923,101 tonnes of ore processed, with an average gold grade of 0.94 g/t and 294,460 tonnes of ore with an average grade of 0.31 g/t that underwent primary leaching during the six months ended June 30, 2025.

Steppe Gold's Chairman and CEO, Bataa Tumur-Ochir, stated, "I am pleased to report a strong second quarter and overall first half in 2025 with gold production at 32,831 ounces for the first six months. We reported a very competitive \$1,088 per ounce Site AISC for the first half, showing the benefit of strong cost control, maximising leverage to the gold price. With the expiry of the forward contract in June, we expect this to translate to strong operating cash flows in the second half.

We also expect the maturity of the bond investment in December and strong cash flows in the second half to allow us to restructure our debt facilities and support our growth plans at ATO specifically."

Outlook

The focus for the Group in 2025 has been on maximizing production and cash flows at its producing mines and sourcing more material, both in situ and nearby, within and outside the license areas, and extending mine life.

All Group gold production in the second half of 2025 is expected to be at spot prices, following the expiration of the Boroo Gold forward contract in June.

While gold prices are at record levels, negotiations with stream and finance partners to determine the optimal financing structure are taking longer than expected. There is no guarantee that these negotiations will yield a successful outcome and we may need to seek third party partners to realise value for this project.

Payables remain slightly elevated but working capital remains strong and the bond repayment of \$104,000 in December 2025 is expected to significantly reduce debt levels. Debt to EBITDA ratios are manageable, and this should allow the Group to restructure debt facilities in the second half of 2025 to better align with the cash flow profile of the operating mines.

The Group also continues to consider growth in reserves and resources through organic exploration opportunities as well as potential acquisitions.

The Company's condensed interim consolidated financial results for the quarter ended June 30, 2025 have been filed on SEDAR+. The full version of the condensed interim consolidated financial statements and associated management's discussion & analysis can be viewed on the Company's website at www.steppegold.com or under the Company's profile on SEDAR+ at www.sedarplus.ca.

Management and Board Changes

In an effort to streamline the executive management roles at Steppe Gold, the Company announces the following changes: Byambatseren Tsogbadrakh has stepped down as a director and President of the Company effective August 12, 2025; and the operations team in Mongolia has been restructured and Tserenbadam Dugeree will continue to oversee all operational activities in his role as CEO of the operational subsidiaries in country. Effective August 12, 2025, Tsereebadam Dugeree stepped down as Chief Operating Officer of the Company, but will remain as a director of the Company. In conjunction with this change, the Company has appointed Chief Operating Officers of Boroo Gold and Steppe Gold LLC, Purevraash

Duzeenyam and Orgodol Togoo, respectively.

Purevraash Duzeenyam - Boroo Gold

Purevraash Duzeenyam is responsible for Boroo Gold operations, a role he assumed in January 2021. Purevraash has over 30 years of wide-ranging experience in the mining industry, and has held leadership roles at Boroo Gold for the past 20 years. His diversified background in the industry includes experience in exploration, engineering, mine operations, project development and construction, safety, health and security and mine management. Prior to becoming the Senior VP of Operations for Boroo Gold, Purevraash was the Head of Mine Operation Department for Boroo Gold.

Orgodol Togoo - ATO

Orgodol Togoo has almost 40 years of mining industry experience. He joined Steppe Gold in May 2025 as Vice President of Operations. Orgodol previously worked as Advisor to the CEO of Boroo Gold from 2021 to 2025, and from 2000 to 2021 he worked in various roles, including Manager of Technical Support, Mill Superintendent, Mill Manager and Director of Processing. Orgodol worked as Metallurgical Expert Consultant - Boroo Project Detailed Environmental Impact Assessment in 1999 and, prior to that, he was Deputy Director and Mine General Manager at Mongol-Canadian JV Bumbat Gold Ltd. and Chief Metallurgist at Mongolyn Alt (MAK) LLC from 1994 to 2000. From 1990-1994 Orgodol worked with Mineral Processing Technological Center of Mongolia as Mineral Processing Laboratory Superintendent and Research Officer. From 1986-1990 he worked as Department Manager, Coal Crushing and Screening Plant Engineer and Shift Foreman for Baganuur Coal Mine.

Orgodol has a Mining Engineering degree in Mineral Processing and a Master of Science in engineering degree from the Ural University of Mining and Geology (Russia) and is registered as a Consulting Engineer in Mongolia.

Steppe Gold Ltd.

Steppe Gold is Mongolia's premier precious metals company.

For Further information, please contact:

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Non-IFRS Performance Measures

The Company uses the following non-IFRS measures: Adjusted EBITDA, EBITDA and AISC. EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as adjusted earnings before interest, taxes, depreciation and amortization. AISC is calculated using cash costs in addition to general and administration, asset retirement costs, and sustaining capital, less certain non-recurring costs (notably exploration costs at the Mungu deposit) to provide an overall company outlook on the total cost required to sell an ounce of gold.

Management believes that these non-IFRS measures provide useful information to investors in measuring the financial performance of the Company for the reasons outlined below. These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled

measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issuers. Further details of non-IFRS measures noted above can be found in the Company's management's discussion & analysis for the three and six months ended June 30, 2025.

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain statements or disclosures relating to the Company that are based on the expectations of its management as well as assumptions made by and information currently available to the Company which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results, or developments that the Company anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "continues", "focus", "may", "will", "projected", "opportunities", "expected", "planned", "potential", "should" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: discussion of future plans, projections, objectives, estimates and forecasts and the timing related thereto, including, but not limited to: the Phase 2 Expansion and the ATO gold mine; higher achieved gold prices in the second half of 2025 and the restructuring and reduction of the Company's debt facilities; the expectation of the Group to revert to sales at spot prices of gold in the second half of 2025; increase of capital expenditures with new fleet additions in Q2 and Q3 of 2025; the repayment of the bonds to be applied to debt reduction and working capital needs; compliance with key covenants of the Group's contracts; the renegotiation of the Phase 2 Expansion financing terms with stakeholders and the potential success of such negotiations; the negotiation and success thereof with stream and finance partners; future exploration and production; growth in reserves and resources through organic exploration opportunities as well as potential acquisitions; expectations regarding mine life extensions and the timing of revised feasibility studies; the Group's future outlook and anticipated events; and future financial position.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of the Company including, without limitation: management team and board of directors of Steppe Gold; material adverse effects on the business, properties and assets of the Company; changes in business plans and strategies; risk of litigation; market and capital finance conditions; risks inherent to any capital financing transactions; changes in world commodity markets; currency fluctuations; costs and supply of materials relevant to the mining industry; change in government and changes to regulations affecting the mining industry; discrepancies between actual and estimated production and test results, mineral reserves and resources and metallurgical recoveries; and such other risk factors detailed from time to time in Steppe Gold's public disclosure documents, including, without limitation, those risks identified in Steppe Gold's annual information form for the year ended December 31, 2024, which is available on SEDAR+ at www.sedarplus.ca.

Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by such forward-looking statements. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, Steppe Gold assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If Steppe Gold updates any one or more forward-looking statements, no inference should be drawn that the company will make additional updates with respect to those or other forward-looking statements. All forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement.

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