



MONGOLIA SECURITY ANALYSIS REPORT

AI-Assisted Open Source Intelligence Assessment

Analysis Period: June 21, 2026 - June 28, 2026

This report was produced using open-source intelligence analysis. The assessment is grounded in publicly available reporting and should be cross-referenced with primary sources. RSS feed articles are listed in the annex for reference.

Executive Summary

During the period of June 21-28, 2026, Mongolia actively engaged in significant multilateral military exercises and advanced its diplomatic ties, particularly with South Korea, India, and its immediate neighbors, China and Russia. The multinational peacekeeping exercise Khaan Quest 2026 commenced, involving 18 nations and focusing on enhancing interoperability for UN peacekeeping missions. Concurrently, Mongolia moved to finalize a comprehensive defense cooperation agreement with South Korea, signaling a strategic shift towards diversifying security partnerships. Diplomatic engagements with India strengthened economic and security cooperation, while interactions with China and Russia reaffirmed existing strategic partnerships and economic corridors. Cybersecurity remains a persistent concern, with reports of Chinese state-sponsored hacking groups targeting Mongolian government entities.

Key Security Developments

- **Military Activities and Exercises: Khaan Quest 2026 Commences**

The annual multinational peacekeeping exercise, Khaan Quest 2026, officially began on June 21, 2026, at the Five Hills Training Area near Ulaanbaatar. This 23rd edition of the exercise involves over 1,100 military personnel from 18 countries, including the United States, India, South Korea, and Germany, and marks the 20th anniversary of its multinational format. The exercise aims to strengthen international cooperation and improve the operational capabilities of the Mongolian Armed Forces and participating peacekeepers, focusing on tactical drills, combat first aid, casualty evacuation, and incorporating new components like the use of unmanned aerial systems in modern security operations under the UN Charter.

- **Defense Policy and Strategic Shifts: Enhanced Cooperation with South Korea**

On June 24, 2026, the Cabinet of Mongolia formally reviewed and supported a draft "Agreement between the Government of Mongolia and the Government of the Republic of Korea on Defence Cooperation." This agreement is a significant step towards expanding their strategic defense partnership, designed to facilitate mutual military visits, defense consultations at all command levels, specialized training for military personnel, deeper collaboration between military academies and scientific research institutions, and regular joint military training exercises.

- **Diplomatic Relations: India's External Affairs Minister Visits Mongolia**

Indian External Affairs Minister S. Jaishankar conducted an official visit to Mongolia from June 22-23, 2026, meeting with his Mongolian counterpart, Battsetseg Batmunkh, in Ulaanbaatar. Discussions focused on reviewing progress in development projects, capacity building, cultural and educational exchanges, security cooperation, and multilateral fora. Both sides expressed readiness to advance their strategic partnership, identifying opportunities in mining, clean energy, and agri-processing.

- Diplomatic Relations: Continued Engagement with China

Following Chinese Foreign Minister Wang Yi's visit earlier in June (June 13-15), Mongolian Prime Minister Nyam-Osor Uchral met with Chinese Premier Li Qiang on June 23, 2026, during the Summer Davos forum in Dalian. The discussions centered on expanding cooperation in trade, infrastructure, mining, energy, green development, technology, and innovation, under the framework of the Mongolia-China comprehensive strategic partnership. Mongolia emphasized its goal to shift from raw-material export to developing value-added processing industries.

- Geopolitical Alignment: "Proactive Neutral Policy" Reaffirmed

Mongolia continues to articulate and pursue a "proactive neutral policy" in its foreign relations. This approach aims to avoid taking sides in international confrontations, maintain balanced relations with all parties, keep channels of understanding open, and contribute to regional peace and stability, thereby enhancing Mongolia's voice and influence on the regional stage.

- Cybersecurity: Chinese APT Activity Targeting Government

A previously undocumented Chinese Advanced Persistent Threat (APT) group, identified as "GopherWhisper," has been actively targeting Mongolian government entities since at least November 2023. This group utilizes popular cloud communication platforms such as Microsoft Outlook, Slack, and Discord for command and control, as well as file.io for data exfiltration, indicating ongoing online espionage against Mongolia.

- Border Security: Expansion of Checkpoints with Russia and China

Mongolia is set to open 10 additional checkpoints along its borders with Russia and China to facilitate increased exports of agricultural products. The government has approved amendments to relevant resolutions, with two automobile crossings on the Russian border, Verkhny Ulkhun (Zabaykalsky Krai) / Ulkhun and Tsagan-Tolgoi (Tyva) / Arts-Sur, undergoing upgrades to significantly increase their capacity for growing cargo flow.

- Defense Industry Developments: India-Backed Oil Refinery

India's largest Line of Credit (LoC)-backed infrastructure project in Mongolia, an oil refinery, is anticipated to become operational by 2028. Funded by a USD 1.7 billion Line of Credit from India, this project is a crucial milestone in the bilateral partnership

and is key to Mongolia's pursuit of energy independence.

Geopolitical Impact and Regional Dynamics

Mongolia's security posture during this period reflects its ongoing efforts to balance relations with its two powerful neighbors, China and Russia, while simultaneously strengthening ties with "third neighbors" like the United States, India, and South Korea. The commencement of Khaan Quest 2026 with 18 participating nations, including the U.S., underscores Mongolia's commitment to multilateralism and its role in international peacekeeping operations, enhancing its strategic relevance beyond its immediate neighborhood. This exercise also serves as a platform for improving interoperability with Western partners, subtly diversifying its defense engagement.

The proposed defense cooperation agreement with South Korea is a significant development, indicating Mongolia's proactive approach to building security partnerships that extend into Northeast Asia. This move aligns with its "proactive neutral policy," allowing Mongolia to enhance its defense capabilities and diplomatic leverage without formally aligning with any single major power bloc. Such agreements contribute to a more complex regional security architecture, where smaller states like Mongolia seek to carve out strategic autonomy through diversified relationships.

Diplomatic engagements with India, marked by External Affairs Minister Jaishankar's visit, highlight a deepening strategic partnership that encompasses economic, cultural, and security dimensions. India's investment in critical infrastructure, such as the oil refinery, provides Mongolia with a pathway to greater energy independence, reducing its reliance on a single source and thus bolstering its overall strategic resilience. This "third neighbor" strategy helps Mongolia maintain its geopolitical balance amidst the influence of China and Russia. Meanwhile, continued high-level dialogues with China, including Premier Li Qiang's meeting with PM Uchral, reinforce the comprehensive strategic partnership, focusing on economic integration through initiatives like the Belt and Road and Steppe Road programs. The expansion of border checkpoints with both China and Russia for agricultural exports further solidifies economic interdependence, though the ongoing negotiations for the Power of Siberia 2 pipeline traversing Mongolia also illustrate the delicate balance of economic and geopolitical interests with Russia.

Military and Defense Analysis

Mongolia's military and defense strategy during this period is characterized by a strong emphasis on peacekeeping capabilities and international interoperability, as

demonstrated by the large-scale Khaan Quest 2026 exercise. The participation of over 1,100 personnel from 18 countries in this exercise, focusing on UN peacekeeping mandates, showcases Mongolia's dedication to developing a professional and adaptable military force capable of operating in complex multinational environments. The inclusion of new training components, such as the use of unmanned aerial systems, suggests an ongoing effort to modernize tactics and integrate contemporary technologies into its defense doctrine.

The impending defense cooperation agreement with South Korea signifies a strategic move to enhance military training, facilitate mutual visits, and deepen collaboration between military academies. This partnership could provide Mongolia with access to advanced training methodologies and potentially defense technologies, contributing to its long-term modernization goals. While specific defense spending trends were not detailed in the available news, the focus on international exercises and bilateral defense agreements indicates a policy of leveraging partnerships to build capacity rather than solely relying on large-scale indigenous defense acquisitions.

Mongolia's participation in joint army training "Steppe Partner 2026" with China earlier in the year, focused on counter-terrorism and illegal armed groups, also highlights its pragmatic approach to regional security challenges. This dual engagement with both Western-aligned nations (Khaan Quest) and its immediate neighbors (Steppe Partner) allows Mongolia to maintain a flexible force posture and develop diverse capabilities relevant to both conventional and asymmetric threats, while upholding its "proactive neutral policy."

Outlook and Forecast

Short-term trends (1-3 months): In the immediate future, Mongolia is likely to continue its active diplomatic outreach and participation in multilateral security forums. The conclusion of the defense cooperation agreement with South Korea will be a key indicator of its deepening "third neighbor" strategy, potentially leading to more concrete joint exercises and training programs in the coming months. The momentum from Khaan Quest 2026 will likely translate into further discussions on enhancing peacekeeping capabilities and potentially exploring defense acquisitions from participating nations. Economic engagements with China and India, particularly regarding infrastructure and resource development, will remain a priority, with a focus on value-added processing to boost Mongolia's economy.

Critical flashpoints and risk areas: Cybersecurity remains a critical risk area. The persistent targeting of Mongolian government entities by state-sponsored APT groups, particularly from China, highlights the vulnerability of its digital infrastructure. While Mongolia has a national cybersecurity strategy, the reported low compliance rates and

shortage of skilled professionals suggest a significant gap in implementation, making it susceptible to further espionage and potential disruption. The geopolitical competition between major powers in the broader Indo-Pacific region, while not directly involving Mongolia in a conflict, could indirectly affect its economic and strategic balancing act. The ongoing negotiations for the Power of Siberia 2 pipeline also present a potential flashpoint, as pricing disagreements could strain Russia-China-Mongolia energy relations.

Indicators to monitor: Key indicators to monitor include the ratification and implementation details of the Mongolia-South Korea defense agreement, which could signal the scope and nature of future defense cooperation. Progress on India-backed infrastructure projects, such as the oil refinery, will be important for assessing Mongolia's economic diversification and energy security. In the cybersecurity domain, any public reports on new cyberattacks or significant advancements in Mongolia's defensive capabilities and compliance rates would be crucial. Furthermore, statements or actions related to Mongolia's "proactive neutral policy" in response to regional geopolitical shifts will provide insight into its strategic autonomy.

Strategic recommendations: Mongolia should prioritize strengthening its cybersecurity defenses by investing heavily in training skilled professionals, improving compliance with its National Cyber Security Strategy, and fostering international cooperation on cyber threat intelligence. Diversifying defense partnerships beyond traditional neighbors, as seen with South Korea, should be actively pursued to enhance military modernization and reduce over-reliance on any single external power. Economically, accelerating projects that promote energy independence and value-added processing of its natural resources will bolster national resilience. Diplomatically, maintaining its "proactive neutral policy" while strategically engaging with all major powers will be essential to navigate complex regional dynamics and secure its long-term interests.

Structured Assessment

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