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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

IMPAIRMENT LOSS

This announcement is made by Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that based on the preliminary discussion with the auditors of the Company, it is expected that the Company will make a provision for impairment losses on non-financial assets for the financial year ended 31 December 2014 (the “**Impairment**”).

In accordance with IAS 36 Impairment of Assets, entity shall assess at the end of each reporting period whether its assets are carried at value no more than their recoverable amount. Thus, the Company has undertaken a review of the carrying amount of the Group’s property, plant and equipment, construction in progress and intangible assets to determine the recoverable amount of the assets by engaging with an independent valuation firm commencing in the beginning of January 2015. Impairment valuation to determine the recoverable amount involves assessment of cash flows to be generated over the life of mine period, which requires substantial work scope to be performed and involves consideration of significant judgment on assumptions. Hence, until the preliminary valuation results became available in mid-March 2015, which were subject to further extensive review by the auditors, the outcome of the valuation was not certain and could not be quantified with any certainty until 19 March 2015.

The Board and the audit committee of the Company (the “**Audit Committee**”) were informed and have been updated on the progress of the valuation from the commencement of work, and subsequently upon auditors’ review and provision of their preliminary opinion on the valuation results, the Board and the Audit Committee were immediately involved in the discussions with the auditors to consider the impairment indication.

Based on careful consideration of the Board and the Audit Committee and communication with the auditors, the Impairment will be approximately USD190 million, recognized in relation to the acquired mining rights under the intangible assets based on the preliminary assessment of the Board and its discussions with the auditors of the Company regarding the consolidated accounts of the Group for the financial year ended 31 December 2014 and other information currently available.

The Board wishes to emphasize that the Impairment is an accounting related adjustment and a non-cash item and it will therefore not have any impact on the cash flow of the Group.

The Company's final results for the financial year ended 31 December 2014 are under review and subject to finalization and confirmation by its auditor as well as approvals of the Audit Committee of the Company and the Board at the respective meetings to be held on 23 March 2015, and the final results announcement of the Company for the financial year ended 31 December 2014 will be published subsequently.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Mongolian Mining Corporation
Odjargal Jambaljamts
Chairman

Hong Kong, 22 March 2015

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive directors of the Company, Dr. Oyungerel Janchiv, Mr. Batsaikhan Purev, Mr. Od Jambaljamts and Mr. Gankhuyag Adilbish, being the non-executive directors of the Company, and Mr. Ochirbat Punsalmaa, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.