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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

RECENT DEVELOPMENT

This announcement (the “**Announcement**”) is made by Mongolian Mining Corporation (the “**Company**”) pursuant to Rule 13.09(2) and Rule 13.19 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Long Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 5 March 2014 and the 2014 annual report in relation to the facilities agreement, as amended from time to time (the “**BNP/ICBC Facilities Agreement**”), dated 5 March 2014 entered into by the Company as borrower with, amongst others, BNP Paribas Hong Kong Branch as agent (the “**Agent**”), BNP Paribas Singapore branch and Industrial and Commercial Bank of China Limited as lenders (collectively, the “**Lenders**”).

Reference is also made to the announcement of the Company dated 14 March 2016 in relation to (i) a temporary waiver letter granted by the Lenders to the Company in relation to the BNP/ICBC Facilities Agreement, under which the due date (the “**Payment Due Date**”) of the Company’s obligation to make certain repayment of principal installments and interests and replenish certain collection account (the “**Payment to the Lenders**”) was postponed to 22 March 2016 and (ii) formation of Noteholders’ Steering Committee and appointment of legal and financial advisers to the Steering Committee.

As at the date of the Announcement, the Company had neither made the Payment to the Lenders nor been able to secure any waiver or forbearance from the Lenders in this regard. As such, an event of default under the BNP/ICBC Facilities Agreement has taken place, which also constitutes an event of default under certain of the Company’s other indebtedness that contain cross-default provisions, including the US\$600,000,000 8.875% senior notes due 2017 issued by the Company (the “**Notes**”).

The Company has proposed to enter forbearance agreements with both the Lenders and the Steering Committee of the holders of the Notes (the “**Steering Committee**”). The Company is in discussion with and intends to continue dialogue with the Lenders and the Steering Committee and their respective advisers.

As at the date of the Announcement, the Company has not received any notice from any of the Lenders demanding immediate repayment of any outstanding amount under the BNP/ICBC Facilities Agreement or any holder of the Notes or any other creditors.

The Company will make disclosure pursuant to Rule 13.21 of the Listing Rules and publish further announcements to update the shareholders and potential investors the progress as and when necessary.

THERE CAN BE NO ASSURANCE THAT ANY DISCUSSIONS WITH THE LENDERS AND HOLDERS OF THE NOTES WILL LEAD TO ANY FORBEARANCE AGREEMENT WITH THE COMPANY. ACCORDINGLY, THE COMPANY OFFERS NO ASSURANCE THAT THE DISCUSSIONS WITH THE LENDERS AND HOLDERS OF THE NOTES WILL BE SUCCESSFULLY CONCLUDED. SHAREHOLDERS OF THE COMPANY, HOLDERS OF SECURITIES OF THE COMPANY AND POTENTIAL INVESTORS IN THE SECURITIES OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

For and on behalf of the Board
Mongolian Mining Corporation
Odjargal Jambaljamts
Chairman

Hong Kong, 23 March 2016

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