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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

OPERATIONAL UPDATE FOR THE QUARTER ENDED 31 DECEMBER 2017

The board of directors (the “**Board**”) of Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce the unaudited operational update for the quarter ended 31 December 2017. The comparative numbers for the quarter ended 31 December 2016 are also disclosed in this announcement.

In the year ended 31 December 2017, the Group has (i) mined approximately 8.3 million tonnes (“**Mt**”) of run-of-mine (“**ROM**”) coal; (ii) processed approximately 8.0 Mt of ROM coal to produce approximately 4.0 Mt of washed coking coal products; and (iii) sold approximately 3.6 Mt of washed coking coal products. Thus, compared to (i) ROM coal mined; (ii) ROM coal processed; and (iii) washed coking coal products sold tonnages achieved in the year ended 31 December 2016, this represents (i) 179%; (ii) 166%; and (iii) 132% year-on-year increase, respectively.

In the quarter ended 31 December 2017, the Group’s mine production increased by 31% as compared to the corresponding period of 2016 with quarterly ROM coal mining output achieving 1,998.4 thousand tonnes (“**kt**”).

Total of 1,752.1 kt of ROM coal was processed, representing 15% increase compared to the corresponding period of 2016 and resulting in the production of 877.5 kt of washed coking coal products at 50.1% yield.

The Group sold a total of 810.7 kt of washed coking coal products in the fourth quarter of 2017, representing 16% increase compared to the corresponding period of 2016.

The main operational data summarized and shown below in Table 1 are derived from the internal records of the Group and are intended to give investors an overview of the Group’s operations in a timely manner and may differ from the data disclosed in periodic reports of the Company.

Table 1. Main operational data for the quarter ended 31 December 2017:

Item	Unit	The quarter ended		Year on Year change (%)
		31 December 2017	2016	
ROM coal mined	kt	1,998.4	1,520.2	31%
ROM coal processed	kt	1,752.1	1,521.2	15%
Coking coal products	kt	877.5	813.8	8%
Coking coal products yield	%	50.1%	53.5%	-3.4ppt
Coking coal products sold	kt	810.7	700.5	16%

The aforesaid operational data are not an express or implied forecast or guarantee in respect of the Company's future operating conditions.

In addition, various factors may affect results, including (but not limited to) force majeure events, changes in market conditions and regulatory interferences, as such material differences may exist in the operational data published from quarter to quarter.

Investors should note that undue reliance on or use of the above information may cause investment risks.

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

Hong Kong, 15 January 2018

As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battengel Gotov, being the executive directors of the Company, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo and Mr. Enkhtuvshin Dashtseren, 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.