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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Mongolian Mining Corporation (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

### **PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS, GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 29 June 2018 at 10:00 a.m. is set out on pages 15 to 18 of this circular. A form of proxy for use at the annual general meeting is also enclosed with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.mmc.mn](http://www.mmc.mn)).

Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the annual general meeting (i.e. not later than 10:00 a.m. on Wednesday, 27 June 2018) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

\* *References to time and dates in this circular are to Hong Kong time and dates.*

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 29 June 2018 at 10:00 a.m. or any adjournment thereof
“AGM Notice”	the notice convening the AGM as set out on pages 15 to 18 of this circular
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Close Associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Companies Law”	the Companies Law of the Cayman Islands, as amended from time to time
“Company”	Mongolian Mining Corporation (Stock code: 975), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Core Connected Person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution

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## DEFINITIONS

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“Latest Practicable Date”	24 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to repurchase, on the Stock Exchange or any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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## LETTER FROM THE BOARD

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### **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

*Executive Directors:*

Mr. Odjargal Jambaljamts (*Chairman*)  
Dr. Battsengel Gotov (*Chief Executive Officer*)

*Non-Executive Directors:*

Mr. Od Jambaljamts  
Ms. Enkhtuvshin Gombo  
Mr. Enkhtuvshin Dashtseren

*Independent Non-Executive Directors:*

Dr. Khashchuluun Chuluundorj  
Mr. Unenbat Jigjid  
Mr. Chan Tze Ching, Ignatius

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

27 April 2018

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES  
TO ISSUE SHARES AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information regarding certain resolutions to be proposed at the AGM. These resolutions include, among others, (i) the re-election of the retiring Directors; and (ii) the granting to the Directors of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate. The resolutions will be proposed at the AGM and are set out in the AGM Notice as contained in this circular.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF RETIRING DIRECTORS

In relation to resolutions number 2 to 5 as set out in the AGM Notice, Ms. Enkhtuvshin Gombo and Mr. Enkhtuvshin Dashtseren will retire from the offices as non-executive Directors at the AGM in accordance with Article 83(3) of the Articles of Association. Dr. Khashchuluun Chuluundorj and Mr. Unenbat Jigjid will retire from the offices as independent non-executive Directors at the AGM in accordance with Article 84(1) of Articles of Association. All the retiring Directors, being eligible, will offer themselves for re-election.

Biographical details of the above retiring Directors which are required to be disclosed pursuant to the Listing Rules are set out in Appendix I to this circular.

### 3. THE ISSUE MANDATE

On 14 June 2017, an ordinary resolution was passed to grant to the Directors the Issue Mandate to issue Shares and to extend the Issue Mandate to include Shares repurchased under the Repurchase Mandate. The Issue Mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to issue Shares if and when appropriate, it is proposed to renew the Issue Mandate at the AGM.

At the AGM, an ordinary resolution as set out in resolution number 8 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Issue Mandate to allot, issue and deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, the number of Shares in issue were 10,291,767,865. Subject to the passing of the relevant resolution, the Directors will be authorised to issue up to 2,058,353,573 additional Shares on the basis that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of AGM.

The Issue Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

### 4. THE REPURCHASE MANDATE

On 14 June 2017, an ordinary resolution was passed to grant to the Directors a general mandate to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to repurchase Shares if and when appropriate, it is proposed to renew the Repurchase Mandate at the AGM.

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## LETTER FROM THE BOARD

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At the AGM, an ordinary resolution as set out in resolution number 9 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Repurchase Mandate to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed subject to the criteria set out in this circular, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution, i.e. up to 1,029,176,787 Shares on the basis that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of AGM.

The Repurchase Mandate allows the Company to make repurchases only during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

An explanatory statement containing relevant information relating to the Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in Appendix II to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

### **5. EXTENSION OF THE ISSUE MANDATE**

At the AGM, an ordinary resolution as set out in resolution number 10 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, that the Issue Mandate be extended by the addition to the number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

### **6. ANNUAL GENERAL MEETING**

The AGM Notice is set out on pages 15 to 18 of this circular to consider the resolutions relating to, inter-alia, the re-election of the retiring Directors, the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate.

### **7. ACTIONS TO BE TAKEN**

A form of proxy for use at the AGM is enclosed with this circular and published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.mmc.mn](http://www.mmc.mn)). Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less

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## LETTER FROM THE BOARD

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than 48 hours before the time appointed for the AGM (i.e. not later than 10:00 a.m. on Wednesday, 27 June 2018) or the adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

### 8. VOTING BY POLL

Pursuant to Article 66 of the Articles of Association, resolutions put to the vote at the AGM shall be decided by way of poll. The results of the poll shall be deemed to be the resolutions of the general meeting and the poll results will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.mmc.mn](http://www.mmc.mn)).

### 9. RECOMMENDATION

The Directors consider that the re-election of the retiring Directors and the proposed granting to the Directors of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice.

Yours faithfully,  
For and on behalf of the Board  
**Mongolian Mining Corporation**  
**Odjargal Jambaljamts**  
*Chairman*



## NON-EXECUTIVE DIRECTORS

**Ms. Enkhtuvshin GOMBO**, aged 46, is a non-executive Director of the Company. Ms. Enkhtuvshin was appointed as a non-executive Director of the Company on 30 September 2017. She is also a member of the Audit Committee. Ms. Enkhtuvshin is the vice president of MCS Holding LLC, a controlling shareholder of the Company (together with its subsidiaries, the “MCS Group”). Ms. Enkhtuvshin joined MCS Holding LLC in 2003 as a financial analyst, and was subsequently appointed the head of the Planning Unit under the Finance Department in 2006. Ms. Enkhtuvshin became the vice president and director of the Finance Department of MCS Holding LLC in 2008. Since her appointment by MCS Holding LLC, she successfully organized the first international auditing within the MCS Group and established a strong financial team, good relationships with international financial organizations as well as with commercial banks. In addition, Ms. Enkhtuvshin had previously served as a non-executive Director and a member of the Audit Committee for the period from the initial public offering of the Company on 13 October 2010 to 12 October 2014. Ms. Enkhtuvshin was awarded a bachelor’s degree in Banking and Finance by the Economics College of Mongolia in 1994. In 1997, she was awarded a master’s degree in International Banking and Finance at Birmingham University Business School, Birmingham, United Kingdom.

Save as disclosed above, Ms. Enkhtuvshin did not hold any other position with the Company or other members of the Group. Ms. Enkhtuvshin did not hold any other directorship in the public listed companies in Hong Kong or overseas in the last three years.

Ms. Enkhtuvshin has entered into a letter of appointment with the Company under which she has agreed to act as non-executive Director for a term of three years effective from 30 September 2017. Ms. Enkhtuvshin is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Ms. Enkhtuvshin is entitled to receive a director’s fee of HK\$150,000 per annum which is determined by the Board with reference to her duties and responsibility with the Company, the Company’s performance and the prevailing market condition.

As at the Latest Practicable Date, Ms. Enkhtuvshin did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Enkhtuvshin does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Ms. Enkhtuvshin that need to be brought to the attention of the Shareholders.

**Mr. Enkhtuvshin DASHTSEREN**, aged 42, is a non-executive Director of the Company. Mr. Dashtseren was appointed as a non-executive Director of the Company on 4 January 2018. Mr. Dashtseren is the vice president of MCS Holding LLC, a controlling shareholder of the Company. Mr. Dashtseren joined the MCS Group in 1997 as a financial manager of MCS International LLC, and was appointed as the chief financial officer and vice president of the Finance Department of MCS Group in 2002. Mr. Dashtseren was subsequently appointed as the vice president of Corporate Strategy of MCS Group in 2005. Mr. Dashtseren served as the executive vice president of the Sales and Marketing Department of the Company from 2008 to 2014 and as advisor to the Chairman of the Board until his departure in 2016. During his past tenure with the Company, Mr. Dashtseren had a broad scope of responsibilities in strategic market planning, business development, sales forecasting, marketing, pricing and training of sales personnel. Mr. Dashtseren was the senior sales executive and key person for the sales and marketing of the coal mined at the Ukhaa Khudag mine developed by the Company. He was instrumental in developing an extensive marketing strategy and research for potential coal markets with major focus on the Chinese market. Mr. Dashtseren was awarded a bachelor's degree in Finance and Management by the National University of Mongolia in 1997 and also studied at the London Metropolitan University in London, United Kingdom.

Save as disclosed above, Mr. Dashtseren did not hold any other position with the Company or other members of the Group. Mr. Dashtseren did not hold any other directorship in the public listed companies in Hong Kong or overseas in the last three years.

Mr. Dashtseren has entered into a letter of appointment with the Company under which he has agreed to act as non-executive Director for a term of three years effective from 4 January 2018. Mr. Dashtseren is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Mr. Dashtseren is entitled to receive a director's fee of HK\$150,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and the prevailing market condition.

As at the Latest Practicable Date, Mr. Dashtseren was deemed to be interested in 600,000 Shares and also interested in 2,941,180 and 5,147,059 underlying Shares in respect of share options granted to him under the share option scheme of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Dashtseren does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Dashtseren that need to be brought to the attention of the Shareholders.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Khashchuluun CHULUUNDORJ**, aged 51, is an independent non-executive Director of the Company. Dr. Khashchuluun was appointed as an independent non-executive Director on 8 January 2016. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. Dr. Khashchuluun is a professor at the Department of Economics, and a member of the Academic Council of the National University of Mongolia. He serves as an executive director of the Mongolia Oil Shale Association and is engaged in managing a number of non-governmental organizations and research consulting activities. Since 2015, Dr. Khashchuluun has been serving as a member of the working group on Long-term Development Strategy for Mongolia 2016-2030 and a member of the board of directors of Ulaanbaatar City Development Corporation. Dr. Khashchuluun served as a visiting professor at the Russian University of Economics, Russia in 2015. He joined the National University of Mongolia as a lecturer of Political Economy in 1989. He was a member of the National Committee for Millennium Challenge Account Mongolia from 2005 to 2007, a member of the Committee of Long-term Development Plan of Mongolia in 2006, a selected Eisenhower Fellowships Fellow from Mongolia in 2007, a member of the board of Open Society Forum in 2008 and a member of the board of directors of Erdenes MGL LLC, a state owned enterprise for strategic mining deposits from 2011 to 2012. From 2014 to 2017, Dr. Khashchuluun was a member of the board of directors of the National University of Mongolia. From 2009 to 2012, Dr. Khashchuluun worked as the chairman of National Development and Innovation Committee of Mongolia, a government agency in charge of national development strategy and investment policy. From 2010 to 2011, he was appointed as the inaugural chairman of the board of directors to lead the establishment of Development Bank of Mongolia, and from 2006 to 2012, he was a member of the board of directors of the Central Bank of Mongolia. From 2004 to 2009, Dr. Khashchuluun worked as a Dean of the School of Economic Studies of the National University of Mongolia, the largest national school of economics and business administration in Mongolia. He also served as a member of the President's Economic Advisory Council from 2006 to 2008 and a member of the Policy Council of the Ministry of Trade and Industry from 2005 to 2007. Dr. Khashchuluun managed government efforts on the introduction of private-public partnership concept and adoption of the Law on Concession, Law on Innovation and Law on Economic Development Planning, and revision of Law on Budget to adopt development policies, introduction of Regional Development Index for fiscal transfers, and private sector support policies. Dr. Khashchuluun was appointed as an independent director of MIK Holding JSC in June 2017, the shares of which are listed on the Mongolian Stock Exchange. He was also appointed as an independent director of Practical Insurance LLC and Ulaanbaatar Development Corporation JSC in April 2017 and January 2017 respectively. Dr. Khashchuluun was awarded a bachelor's degree in economics by the Moscow State University, Moscow, Russia in 1989, a master's degree in economics from the Graduate School of Economics, Yokohama City University, Yokohama, Japan in 1996 and a doctorate degree in international economics by the Graduate School of Economics, Keio University, Tokyo, Japan in 2003.

Save as disclosed above, Dr. Khashchuluun did not hold any other position with the Company or other members of the Group. Dr. Khashchuluun did not hold any other directorship in the public listed companies in Hong Kong or overseas in the last three years except as disclosed above.

Dr. Khashchuluun has entered into a letter of appointment with the Company under which he has agreed to act as independent non-executive Director for a term of three years effective from 12 October 2016. Dr. Khashchuluun is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Dr. Khashchuluun is entitled to receive a director's fee of HK\$150,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and the prevailing market condition.

As at the Latest Practicable Date, Dr. Khashchuluun did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Saved as disclosed above, Dr. Khashchuluun does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Dr. Khashchuluun that need to be brought to the attention of the Shareholders.

**Mr. Unenbat JIGJID**, aged 55, is an independent non-executive Director of the Company. Mr. Jigjid was appointed as an independent non-executive Director of the Company on 16 September 2010. Mr. Jigjid is the Chairman of the Corporate Governance Committee and member of the Audit Committee, Nomination Committee and Remuneration Committee. From 1990 to 2000, Mr. Jigjid held various positions in the Bank of Mongolia, including economist, senior economist, director of the monetary policy department and governor. During the period from 2000 to 2006, Mr. Jigjid was the executive director of the Mongolian Bankers Association. Mr. Jigjid was a director of Resources Investment Capital from October 2010 to November 2013. Mr. Jigjid has been an executive director of the Corporate Governance Development Center in Mongolia since 2009 and was appointed as Head of the Center on 30 March 2015. He is also a member of the supervisory board of the Bank of Mongolia and the board of Micro Finance Development Fund. From October 2010, Mr. Jigjid serves as a director of Golomt Bank. He has been the board member of Open Society Forum in Mongolia since March 2011. On 26 April 2013, Mr. Jigjid was appointed as an independent non-executive director of APU JSC, a company listed on the Mongolian Stock Exchange. On 30 April 2015, Mr. Jigjid was appointed as a non-executive director of Mongolia Telecom JSC, a company listed on the Mongolian Stock Exchange and on 6 November 2015, he was appointed as the executive director and secretary general of the Mongolian Bankers Association. Mr. Jigjid was awarded a master's degree in economics by the Moscow Institute of Economics and Statistics, Russia, and a master's degree in international affairs by Columbia University, United States.

Save as disclosed above, Mr. Jigjid did not hold any other position with the Company or other members of the Group. Mr. Jigjid did not hold any other directorship in the public listed companies in Hong Kong or overseas in the last three years except as disclosed above.

Mr. Jigjid has entered into a letter of appointment with the Company under which he has agreed to act as independent non-executive Director for a term of three years effective from 12 October 2016. Mr. Jigjid is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Mr. Jigjid is entitled to receive a director's fee of HK\$150,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and the prevailing market condition.

As at the Latest Practicable Date, Mr. Jigjid did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Jigjid does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Jigjid that need to be brought to the attention of the Shareholders.

*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 10,291,767,865 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase up to 1,029,176,787 Shares, being 10% of the total number of issued shares of the Company as at the date of the AGM, during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's Memorandum of Association and Articles of Association and the applicable laws of the Cayman Islands.

## **4. IMPACT OF REPURCHASES**

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2017) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

**5. SHARE PRICES**

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date:

<b>Month</b>	<b>Share Prices Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2017</b>		
April	0.275	0.220
May	0.255	0.146
June	0.210	0.165
July	0.290	0.163
August	0.345	0.235
September	0.285	0.228
October	0.265	0.231
November	0.243	0.183
December	0.228	0.190
<b>2018</b>		
January	0.265	0.204
February	0.260	0.219
March	0.239	0.166
April ( <i>up to the Latest Practicable Date</i> )	0.180	0.144

**6. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Close Associates, has any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Company has not been notified by any Core Connected Person of the Company that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.



**7. EFFECT OF TAKEOVERS CODE**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Odjargal Jambaljamts and Mr. Od Jambaljamts, Directors, and five other individuals who are altogether taken as parties acting in concert were interested in 4,043,915,478 Shares, representing approximately 39.29% of the issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, and assuming that there is no change in the issued share capital of the Company and the shareholdings of the parties above mentioned, the percentage shareholdings of the parties above mentioned would be increased to approximately 43.66% of the issued share capital of the Company, thus giving rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 22.3%, the lower public float percentage accepted by the Stock Exchange. The Directors have no intention to repurchase Shares to such extent which would result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code or result in the aggregate number of Shares held by the public shareholders falling below the lower prescribed percentage required by the Stock Exchange.

Save as disclosed above, the Directors are not aware of any other consequence which would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

**8. SHARE REPURCHASE BY THE COMPANY**

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, during the six months preceding the Latest Practicable Date.



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## NOTICE OF ANNUAL GENERAL MEETING

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### **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

#### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “Meeting”) of Mongolian Mining Corporation (the “Company”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 29 June 2018 at 10:00 a.m. for the following purposes:

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditor for the year ended 31 December 2017.
2. To re-elect Ms. Enkhtuvshin Gombo as non-executive director of the Company.
3. To re-elect Mr. Enkhtuvshin Dashtseren as non-executive director of the Company.
4. To re-elect Dr. Khashchuluun Chuluundorj as independent non-executive director of the Company.
5. To re-elect Mr. Unenbat Jigjid as independent non-executive director of the Company.
6. To authorise the board (the “Board”) of directors (the “Directors”) of the Company to fix the remuneration of the Directors.
7. To re-appoint KPMG as auditor of the Company and to authorise the Board to fix their remuneration.
8. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the mandate in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of any subscription rights which are or may be granted under any share option scheme or similar arrangement adopted by the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

9. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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10. To consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 8 and 9 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 8 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 9 of the Notice, provided that such number shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

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

Hong Kong, 27 April 2018

*Notes:*

- (a) A member entitled to attend and vote at the Meeting may appoint a proxy or, if holding two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting (i.e. not later than 10:00 a.m. on Wednesday, 27 June 2018) or the adjourned meeting (as the case may be).
- (c) For determining the entitlement to attend and vote at the Meeting, the Register of Members will be closed from Monday, 25 June 2018 to Friday, 29 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 June 2018.
- (d) In relation to resolutions 2 to 5 above, Ms. Enkhtuvshin GOMBO, Mr. Enkhtuvshin DASHTSEREN, Dr. Khashchuluun CHULUUNDORJ and Mr. Unenbat JIGJID will retire from their offices of Directors at the Meeting and, being eligible, offer themselves for re-election. Details of the Directors to be offered for re-election are set out in Appendix I to the circular for the Meeting.
- (e) References to time and dates in this notice are to Hong Kong time and dates.
- (f) If typhoon signal number 8 or above remains hoisted or a black rainstorm warning signal is in force at 9:00 a.m. on the date of the Meeting, the Meeting will be postponed. Shareholders are requested to visit the website of the Company at [www.mmc.mn](http://www.mmc.mn) for details of alternative meeting arrangements. The Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the Meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.