



COMMUNITY COOPERATION AGREEMENT IS SIGNED WITH KHANKHONGOR SOUM

(Hong Kong, 3 October 2018) – **Mongolian Mining Corporation** (“MMC”, the “Group”; SEHK: 975), is pleased to announce that its indirectly wholly-owned subsidiary Khangad Exploration LLC (“Khangad”) signed Community cooperation agreement (the “Agreement”) with the Governor’s Office of Khankhongor soum, Umnugobi aimag (South Gobi province) on 1 October 2018.

As stipulated under the relevant provisions of Minerals Law, the holders of mining and exploration licenses are required to enter into agreements with aimag and/or soum Governors representing the local authorities. On 28 March 2016, the Government of Mongolia issued Resolution No. 179 which adopted a template for the Agreements designed to cover various aspects of the community engagement, including matters related to the environmental protection, employment creation and infrastructure development.

Under the provisions of the Agreement, Khangad will also make annual financial contributions to the Khankhongor soum’s community development fund (the “Community Fund”), amount of which will be linked to the total annual coal production at Baruun Naran mine. Nine-membered cooperation committee (“Committee”) shall be formed, whereas soum authority, resident citizens and the company will be represented by three members each. This Committee shall review and authorize the use of proceeds contributed by Khangad to the Community Fund in an open and transparent manner, in accordance with the relevant laws and regulations.

Dr. Battsengel Gotov, CEO of MMC, said: “Formally defined framework for the cooperation with Khankhongor soum shall serve as a solid foundation for our long-term tangible contributions to the community development as part of our ongoing commitment to maximize value for the communities where we operate. We will continue to build mutually beneficial relationships with the local communities and authorities by contributing to the social development through community development initiatives and other programs”.

Mr. Bayar-Erdene A, the Governor of Khankhongor soum, said: “We are pleased to have signed this Agreement with Khangad today. The proceeds of financing and cooperation under the Agreement shall be used for the projects and activities that are of utmost importance to our soum’s long-term development. The joint Committee to be formed under the Agreement shall oversee and monitor the effectiveness of the use of proceeds and report to the Citizens’ Representative Khural of the soum on a regular basis”.



*Community Cooperation Agreement signing ceremony
1 October 2018, Khankhongor soum, Umnugobi aimag*

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About Mongolian Mining Corporation (MMC)

Mongolian Mining Corporation (MMC, SEHK: 975) is the largest producer and exporter of HCC in Mongolia. It owns and operates two open-pit coking coal mines, the Ukhaa Khudag deposit located within the Tavan Tolgoi coal formation, as well as the Baruun Naran coking coal deposit, both located in South Gobi, Mongolia.

MMC was listed on The Stock Exchange of Hong Kong Limited in October 2010. To learn more about the Company, please visit MMC's website at: www.mmc.mn

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