

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute or form part of and should not be construed as an invitation or a solicitation of an offer to acquire, purchase or subscribe for securities or an inducement to enter into investment activity, or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. This announcement is not an offer of securities for sale in the PRC, Hong Kong, the United States or elsewhere. The New Senior Notes are not available for general subscription in Hong Kong or elsewhere.

*This announcement does not constitute an offer to purchase, a solicitation of an offer to purchase, or a solicitation of an offer to sell, any securities referred to herein. This announcement does not constitute, and may not be used in connection with, any form of offer or solicitation in the United States or any place where such offers or solicitations are not permitted by law. This announcement is not for release, publication or distribution in or into, or to any person resident and/or located in any jurisdiction where such release, publication or distribution is unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Any public offer of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company and its management, as well as financial statements. The Company does not intend to make any public offering of securities in the United States.*



MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

PRICING OF US\$440,000,000 9.25% GUARANTEED NEW SENIOR NOTES DUE 2024

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated (i) 18 March 2019 regarding the Tender Offers and Consent Solicitation; (ii) 25 March 2019 regarding the amendment of certain terms of the Tender Offers and Consent Solicitation; and (iii) 2 April 2019 regarding the early results of the Perpetual Securities Tender Offer (the “**Announcements**”). Capitalised terms used in this announcement have the meanings ascribed to them in the Announcements unless otherwise indicated.

The Board is pleased to announce that on 3 April 2019, New York time, the Issuers and the Subsidiary Guarantors entered into a Purchase Agreement with J.P. Morgan Securities plc and Morgan Stanley & Co. International plc as Initial Purchasers in connection with the issuance by the Issuers of an aggregate principal amount of US\$440,000,000 9.25% New Senior Notes due 2024.

The Company intends to use the net proceeds from the proposed issue of the New Senior Notes to pay the tender price of the Senior Notes tendered in connection with the Senior Notes Tender Offer and the Perpetual Securities tendered in connection with the Perpetual Securities Tender Offer plus all related fees and expenses incurred. Any remaining funds are expected to be used by the Company for general corporate purposes, including to repay its indebtedness.

Approval in-principle has been received for the listing of the New Senior Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the official list of, and the listing and quotation of the New Senior Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuers, the Subsidiary Guarantors, any of their respective subsidiaries and/or associated companies, the New Senior Notes or the related guarantees. No listing of the New Senior Notes has been sought in Hong Kong.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Introduction

Reference is made to the announcement of the Company dated (i) 18 March 2019 regarding the Tender Offers and Consent Solicitation; (ii) 25 March 2019 regarding the amendment of certain terms of the Tender Offers and Consent Solicitation; and (iii) 2 April 2019 regarding the early results of the Perpetual Securities Tender Offer (the “**Announcements**”). Capitalised terms used in this announcement have the meanings ascribed to them in the Announcements unless otherwise indicated.

The Board is pleased to announce that on 3 April 2019, New York time, the Issuers and the Subsidiary Guarantors entered into a Purchase Agreement with J.P. Morgan Securities plc and Morgan Stanley & Co. International plc as Initial Purchasers in connection with the joint issuance by the Issuers of an aggregate principal amount of US\$440,000,000 9.25% New Senior Notes due 2024.

THE PURCHASE AGREEMENT

Date

3 April 2019 (New York time)

Parties to the Purchase Agreement

- (a) each of the Issuers as the issuers of the New Senior Notes;
- (b) each of the Subsidiary Guarantors as guarantors of the New Senior Notes; and
- (c) each of the Initial Purchasers.

To the Company's best knowledge, information and belief, having made all reasonable enquiries, the Initial Purchasers are independent third parties and are not connected person(s) of the Company.

The New Senior Notes and the related guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and will only be offered (i) in the United States to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or in transactions not subject to the registration requirements of the Securities Act and (ii) in offshore transactions in compliance with Regulation S. None of the New Senior Notes will be offered to the public in Hong Kong.

Principal Terms of the New Senior Notes

New Senior Notes Offered

Subject to certain conditions on completion, the Issuers will issue the New Senior Notes in an aggregate principal amount of US\$440,000,000. The New Senior Notes will mature in 2024, unless earlier redeemed pursuant to the terms of the New Senior Notes.

Offer Price

The offer price of the New Senior Notes will be 100% of the principal amount of the New Senior Notes.

Interest

The New Senior Notes will bear interest at a rate of 9.25% per annum, payable semi-annually in arrears on 15 April and 15 October of each year, commencing on 15 October 2019.

Payment

All payments due under the New Senior Notes shall be payable and settled in United States dollars only.

Ranking of the New Senior Notes

The New Senior Notes are the general obligations of the Issuers. The New Senior Notes are: (i) effectively subordinated to secured obligations of the Issuers, to the extent of the value of the assets serving as security therefore; (ii) senior in right of payment to any existing and future obligations of the Issuers expressly subordinated in right of payment to the New Senior Notes; (iii) at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (iv) guaranteed by the Subsidiary Guarantors on a senior basis subject to certain limitations; and (v) effectively subordinated to all existing and future obligations of any subsidiaries of the Company other than ER and the Subsidiary Guarantors.

Ranking of the Subsidiary Guarantees

The related subsidiary guarantee of each Subsidiary Guarantor is a general obligation of such Subsidiary Guarantor. The related subsidiary guarantee of each Subsidiary Guarantor: (i) is effectively subordinated to secured obligations of such Subsidiary Guarantor (if any, to the extent of the value of the assets serving as security therefor); (ii) is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such related subsidiary guarantee; (iii) ranks at least pari passu with all other unsecured, unsubordinated indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); and (iv) is effectively subordinated to all existing and future obligations of any subsidiaries of the Company other than ER and the Subsidiary Guarantors.

Events of Default

The events of default under the New Senior Notes include, among other things, default in the payment of principal, premium or interest and default in the performance or the breach of certain covenants under the New Senior Notes, the Indenture or where any subsidiary guarantor denies or disaffirms its obligations under its subsidiary guarantee or, except as permitted by the Indenture, any subsidiary guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

Covenants

The New Senior Notes, the Indenture and the related subsidiary guarantees will limit the Company's ability and the ability of its certain restricted subsidiaries to, among things:

- (a) incur additional indebtedness;
- (b) make investments or other specified restricted payments;
- (c) pay dividends or make other distributions;
- (d) enter into agreements that restrict certain of the Company's restricted subsidiaries' ability to pay dividends;
- (e) issue or sell capital stock of restricted subsidiaries;
- (f) guarantee indebtedness;
- (g) enter into certain transactions with shareholders or affiliates;
- (h) create liens;
- (i) enter into certain sale and leaseback transactions;
- (j) sell assets;
- (k) effect a consolidation or merger; and
- (l) engage in different business activities.

Governing Law

The New Senior Notes, the related subsidiary guarantees and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York.

Optional Redemption for New Senior Notes

At any time and from time to time on or after 15 April 2022, the Issuers may at their option redeem the New Senior Notes, in whole or in part, at the redemption prices equal to the percentage of the principal amount of the New Senior Notes redeemed set forth below plus accrued and unpaid interest (if any) to (but not including) the redemption date, if redeemed during the twelve-month period beginning on 15 April of each year set forth below:

Period	Redemption Price
2022	104.625%
2023	102.313%

At any time and from time to time prior to 15 April 2022, the Issuers may at their option redeem the New Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Senior Notes plus the applicable premium as of, plus accrued and unpaid interest on the New Senior Notes redeemed, if any, to (but not including) the redemption date.

At any time and from time to time prior to 15 April 2022, the Issuers may at their option redeem up to 35% of the aggregate principal amount of the New Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering (as defined in the Offering Memorandum) at a redemption price of 109.25% of the principal amount of the New Senior Notes, plus accrued and unpaid interest on the New Senior Notes redeemed, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the New Senior Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

PROPOSED USE OF PROCEEDS

The Company intends to use the net proceeds from the proposed issue of the New Senior Notes to pay the tender price of the Senior Notes tendered in connection with the Senior Notes Tender Offer and the Perpetual Securities tendered in connection with the Perpetual Securities Tender Offer plus all related fees and expenses incurred. Any remaining funds are expected to be used by the Company for general corporate purposes, including to repay its indebtedness.

LISTING

Approval in-principle has been received for the listing of the New Senior Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the official list of, and the listing and quotation of the New Senior Notes on the SGX-ST are not to be taken as an indication of the merits of the Company, ER, the Subsidiary Guarantors, any of their respective subsidiaries and/or associated companies, the New Senior Notes or the related guarantees. No listing of the New Senior Notes has been sought in Hong Kong.

DEFINITIONS

“Board”	means	the board of directors of the Company
“Company”	means	Mongolian Mining Corporation
“ER”	means	Energy Resources LLC, an indirect wholly-owned subsidiary of the Company
“Holders”	means	holders of the Perpetual Securities and/or holders of the Senior Notes, as applicable
“Indenture”	means	the indenture of the New Senior Notes
“Initial Purchasers”	means	J.P. Morgan Securities plc and Morgan Stanley & Co. International plc
“Issuers”	means	the Company and ER
“Listing Rules”	means	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Senior Notes”	means	new Senior Notes to be issued jointly by the Company and ER as co-issuers, and guaranteed by certain subsidiary guarantors named thereunder
“Offering Memorandum”	means	the offering memorandum issued by the Issuers dated 3 April 2019
“Purchase Agreement”	means	the purchase agreement dated 3 April 2019 entered into by and among the Issuers, the Subsidiary Guarantors and the Initial Purchasers
“Regulation S”	means	Regulation S under the Securities Act
“Rule 144A”	means	Rule 144A under the U.S. Securities Act
“Securities Act”	means	U.S. Securities Act of 1933, as amended
“Senior Notes”	means	the outstanding US\$412,465,892 Guaranteed Senior Notes due 2022 issued by ER on 4 May 2017 pursuant to the Senior Notes Indenture which are listed on the SGX-ST (Common Code/ISIN Number: 159863450/XS1598634506)
“Senior Notes Indenture”	means	the indenture between, among others, ER as issuer, the Company as parent guarantor, certain subsidiary guarantors named therein and the Senior Notes Trustee

“Senior Notes Trustee”	means	The Bank of New York Mellon
“SGX-ST”	means	Singapore Exchange Securities Trading Limited
“Shareholders”	means	shareholders of the Company
“Subsidiary Guarantors”	means	Baruun Naran S.à.r.l, Energy Resources Corporation LLC, Energy Resources Rail LLC, Khangad Exploration LLC, Mongolian Coal Corporation Limited, Mongolian Coal Corporation S.à.r.l, Tavan Tolgoi Airport LLC, United Power LLC, Enrestechology LLC and Ukhua Khudag Water Supply LLC, subsidiary guarantors of the New Senior Notes
“United States”	means	the United States of America, its territories and possessions and all areas subject to its jurisdiction

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

Hong Kong, 4 April 2019

As at the date of this announcement, the Board consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive Directors, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo and Mr. Enkhtuvshin Dashtseren, being the non-executive Directors, and Dr. Khashchuluun Chuluundorj, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive Directors.