

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

1 Issuer's name <b>Mongolian Mining Corporation</b>		2 Issuer's employer identification number (EIN)	
3 Name of contact for additional information <b>Ulemj Baskhuu</b>	4 Telephone No. of contact <b>+976 70122279</b>	5 Email address of contact <b>ulemj.b@mmc.mn</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>16th Floor, Central Tower, Sukhbaatar District 8</b>		7 City, town, or post office, state, and ZIP code of contact <b>Ulaanbaatar, Mongolia 14200</b>	
8 Date of action <b>26 August 2019</b>	9 Classification and description <b>Share Consolidation</b>		
10 CUSIP number <b>G6264V 136</b>	11 Serial number(s) <b>975 (HKEx stock code)</b>	12 Ticker symbol <b>975 (HKEx stock code)</b>	13 Account number(s) <b>975 (HKEx stock code)</b>

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **See attachment.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **See attachment.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **See attachment.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment.

Blank lined area for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See attachment.

Blank lined area for providing information on loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment.

Blank lined area for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ B. Uzem

Date ▶ 10 OCTOBER 2019

Print your name ▶ ULEMI BASKHUU

Title ▶ CHIEF FINANCIAL OFFICER

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Mongolian Mining Corporation**  
**Attachment to Form 8937 (Report of Organizational Actions Affecting Basis of Securities)**

Part II, Question 14

On 22 July 2019, Mongolian Mining Corporation announced a share consolidation pursuant to which every ten (10) shares that were outstanding prior to the share consolidation's effective date ("old shares") were consolidated into one (1) new share. The share consolidation was approved by the shareholders at an extraordinary general meeting held on 22 August 2019 and became effective on 26 August 2019. Fractional new shares resulting from the share consolidation were not issued to shareholders and shareholders did not receive any consideration with respect thereto. For further information please see the circular dated August 7, 2019, which can be accessed on the website of Hong Kong Exchanges and Clearing Limited at <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0806/ltn20190806523.pdf>.

Part II, Question 15

All old shares were consolidated by Mongolian Mining Corporation on a pro-rata basis and each shareholder's ownership percentage in the issued share capital immediately before the implementation of the share consolidation remained substantially unchanged (with the exception of possible minor ownership changes resulting from the non-issuance of fractional shares). A US taxpayer's aggregate tax basis in its new consolidated shares generally equals its total tax basis in the old shares. A US taxpayer that received new consolidated shares in exchange for old shares that were acquired at different times or different prices should allocate the aggregate tax basis in its old shares to the new consolidated shares in a manner that preserves, to the greatest extent possible, the tax basis in each lot of old shares.

Part II, Question 16

See answer to question 15.

Part II, Question 17

Sections 354, 358, 1001 and 1223 of the Internal Revenue Code (the "Code") and Treasury Regulations section 1.358-2.

Part II, Question 18

US taxpayers will not recognize any loss for US federal income tax purposes with respect to the share consolidation.

Part II, Question 19

The above described organizational action is reportable in tax year 2019.

**The information contained herein provides a general summary regarding the application of certain provisions of the U.S. Internal Revenue Code to the share consolidation. The information contained herein does not constitute tax advice and does not purport to describe all of the possible tax consequences of the share consolidation or the tax consequences that may apply to any shareholder in**

**its particular circumstances. Shareholders should consult their own tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of the share consolidation.**