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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

APPOINTMENT OF RESTRUCTURING ADVISERS AND REQUEST FOR SECURITY HOLDERS' ATTENTION

This announcement is made by Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company announces that the Company is seeking a potential restructuring of the US\$600,000,000 8.875% senior notes due 2017 issued by the Company (the “**Notes**”). The Company encourages the holders of the Notes (the “**Holder**s”) to form a committee of the Holders for the purposes of facilitating discussion between the Holders and the Company about such potential restructuring of the Notes.

APPOINTMENT OF RESTRUCTURING ADVISERS

The Company has appointed J.P. Morgan Securities (Asia Pacific) Limited (“**J.P. Morgan**”) and SC Lowy Financial (HK) Ltd. (“**SC Lowy**”) as restructuring advisers (the “**Restructuring Advisers**”) to the Company for the purposes of providing advice with respect to the potential restructuring of the Notes.

During the last few years, the coking coal markets experienced continuing price decline amid the oversupply situation experienced by the global industry. Furthermore, changes to economic policy implemented within the Group’s principal target market, China, resulted in reduced crude steel production and consequently lower coking coal consumption and declining import volumes. In order to overcome challenges faced due to deteriorated market conditions, the Company remains focused on the strategic initiatives to improve its competitive position, including but not limited to pursuing the opportunity to engage in coal mining, processing, transportation and exploration activities at Tavan Tolgoi coal deposit in Mongolia (the “**TT Transaction**”). However, even though the Company has been continuing its negotiations with the relevant parties, no definitive agreement or transaction structure has been achieved to date and the Company does not currently expect any conclusion of such negotiations in the near future. The Company is committed to full and open communications and will update its shareholders and investors if and when there are significant developments with respect to these negotiations or the TT Transaction in general. However, there is no assurance that the negotiations will progress, or if they do, that they will result in a transaction.

The Restructuring Advisers will assist the Company in assessing various restructuring options and formulating a plan to implement an appropriate restructuring of the Notes. This plan will be developed with a view to ensuring the continued stability of the Group, and protecting the interests of all stakeholders of the Company.

ENGAGEMENT WITH HOLDERS

In light of the adverse macro-economic environment, and to better protect the interests of all the stakeholders of the Company, the Company desires to start a dialogue with the Holders about a possible restructuring arrangement in relation to the Notes and expects to engage with Holders on a restructuring proposal as soon as possible. The Company is committed to full and open communication with the Holders and will seek the highest level of responses from the Holders to facilitate open communications and obtain their input during the process.

The Company encourages the Holders to come forward to form a committee of Holders for the purposes of facilitating discussions between the Holders and the Company about such possible restructuring of the Notes. The Company looks forward to a constructive dialogue and timely creditor support to ensure the long-term success of the Company's business for the benefit of all stakeholders. The Holders who would like to enquire about forming a committee should contact our restructuring advisers:

Restructuring Advisers

J.P. Morgan Securities (Asia Pacific) Limited
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THERE CAN BE NO ASSURANCE THAT ANY DISCUSSIONS WITH ANY HOLDER WILL LEAD TO A PROPOSAL ACCEPTABLE TO THE HOLDERS MORE GENERALLY OR THAT DISCUSSIONS WITH THE HOLDERS CAN BE PROGRESSED TO ANY POSITIVE CONCLUSION. ACCORDINGLY, THE COMPANY OFFERS NO ASSURANCE THAT THE PROPOSED RESTRUCTURING OF THE NOTES WILL BE SUCCESSFULLY CONCLUDED. SHAREHOLDERS OF THE COMPANY, THE HOLDERS, HOLDERS OF OTHER SECURITIES OF THE COMPANY AND POTENTIAL INVESTORS IN THE SECURITIES OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

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

Hong Kong, 26 January 2016

As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive directors of the Company, Dr. Oyungerel Janchiv, Mr. Od Jambaljamts and Mr. Gankhuyag Adilbish, 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.