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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

OPERATIONAL UPDATE FOR THE QUARTER ENDED 30 SEPTEMBER 2017

The board of directors (the “**Board**”) of Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce the unaudited operational update for the quarter ended 30 September 2017. The comparative numbers for the quarter ended 30 September 2016 are also disclosed in this announcement.

Table 1. Main operational data for the quarter ended 30 September 2017:

Item	Unit	The quarter ended 30 September		Year on Year change (%)
		2016	2017	
ROM coal mined	kt	555.5	2,132.3	284%
ROM coal processed	kt	489.6	2,386.3	387%
HCC product	kt	268.3	1,189.9	343%
HCC product yield	%	54.8%	49.9%	-4.9 ppt
HCC product sold	kt	254.3	891.8	251%

The main operational data summarized and shown above in Table 1 are derived from the internal records of the Group and are intended to give investors an overview of the Group’s operations in a timely manner and may differ from the data disclosed in periodic reports of the Company.

In the quarter ended 30 September 2017, the Group’s mine production increased by 284% as compared to the corresponding period of 2016 with quarterly run-of-mine (“**ROM**”) coal mining output achieving 2,132.3 thousand tonnes (“**kt**”).

Total 2,386.3 kt of ROM coal was processed, representing 387% increase compared to the corresponding period of 2016 and resulting in the production of 1,189.9 kt of hard coking coal (“**HCC**”) product at 49.9% yield.

The Group sold a total of 891.8 kt of HCC product in the third quarter of 2017, representing 251% increase compared to the corresponding period of 2016.

As such, in the first nine months of 2017, the Group has (i) mined approximately 6.3 million tonnes (“Mt”) of ROM coal; (ii) processed approximately 6.3 Mt of ROM coal to produce approximately 3.2 Mt of washed HCC; and (iii) sold approximately 2.8 Mt of washed HCC.

The aforesaid operational data are not an express or implied forecast or guarantee in respect of the Company’s future operating conditions.

In addition, various factors may affect results, including (but not limited to) force majeure events, changes in market conditions and regulatory interferences, as such material differences may exist in the operational data published from quarter to quarter.

Investors should note that undue reliance on or use of the above information may cause investment risks.

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

Hong Kong, 18 October 2017

As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battengel Gotov, being the executive directors of the Company, Dr. Oyungerel Janchiv, Mr. Od Jambaljamts and Ms. Enkhtuvshin Gombo, 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.