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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

OPERATIONAL UPDATE FOR THE QUARTER ENDED 31 DECEMBER 2018

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 31 December 2018. The comparative figures for the quarter ended 31 December 2017 and the quarter ended 30 September 2018 are also disclosed in this announcement.

In the year ended 31 December 2018, the Group has (i) mined approximately 10.9 million tonnes (“**Mt**”) of run-of-mine (“**ROM**”) coal; (ii) processed approximately 10.0 Mt of ROM coal to produce approximately 4.8 Mt of washed coking coal products; and (iii) sold approximately 4.3 Mt of washed coking coal products. Thus, compared to (i) ROM coal mined; (ii) ROM coal processed; and (iii) washed coking coal products sold tonnages achieved in the year ended 31 December 2017, this represents (i) 30%; (ii) 25%; and (iii) 21% year-on-year (“**YoY**”) increase, respectively.

During the quarter ended 31 December 2018, the Group’s ROM coal mining output was 3,302.7 thousand tonnes (“**kt**”), representing 65% YoY increase compared to the corresponding period ended 31 December 2017 and 1% quarter-on-quarter (“**QoQ**”) increase from the previous quarter ended 30 September 2018.

A total of 2,893.4 kt of ROM coal was processed, representing 65% YoY increase and 8% QoQ decrease compared to the corresponding quarters, respectively.

The Group sold a total of 1,015.0 kt of washed coking coal products in the fourth quarter of 2018, which is 25% more compared to the corresponding period of 2017 and 28% less compared to the previous quarter ended 30 September 2018.

The main operational data summarized and shown below in Table 1 is derived from the internal records of the Group and rounded, and the data shown below is 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.

Table 1. Main operational data for the quarter ended 31 December 2018:

Item	Unit	The quarter ended 31 December 2018	The quarter ended 31 December 2017	YoY change (%)	The quarter ended 30 September 2018	QoQ change (%)
ROM coal mined	kt	3,302.7	1,998.4	+65%	3,272.7	+1%
ROM coal processed	kt	2,893.4	1,752.1	+65%	3,135.7	-8%
Coking coal produced	kt	1,305.0	877.5	+49%	1,414.6	-8%
Coking coal sold	kt	1,015.0	810.7	+25%	1,407.0	-28%

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, 17 January 2019

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, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo and Mr. Enkhtuvshin Dashtseren, 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.