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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 MARCH 2021

The COVID-19 virus outbreak since early 2020 has brought uncertainties in the Group’s operating environment. The Group has been closely monitoring the impact of the developments on the Group’s businesses and has put in place contingency measures, such as temporary adjustment to levels of production.

The Group’s employees were successfully enrolled and have been administered the first dose of the COVID-19 vaccine in March 2021, with the second dose to be administered according to the schedule prescribed by the relevant authorities. The Group expects 90% of its staff, not restricted by pre-existing and other health conditions, to be vaccinated under the immunisation program initiated by the Government of Mongolia within the second quarter of 2021.

The sales volume for the first quarter of 2021 was impacted by reduced cross border throughput via Gashuunsukhait-Ganqimaodu checkpoint due to temporary limitations imposed by the Chinese authorities from 16 March 2021 after reports of COVID-19 infection cases in Khanbogd soum adjacent to the border.

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 March 2021. The comparative figures for the quarter ended 31 March 2020 and the quarter ended 31 December 2020 are also disclosed in this announcement.

During the quarter ended 31 March 2021, the Group’s run-of-mine (“**ROM**”) coal mining output was 2,208.7 thousand tonnes (“**kt**”), representing 21% year-on-year (“**YoY**”) increase compared to the corresponding period ended 31 March 2020 and 25% quarter-on-quarter (“**QoQ**”) decrease compared to the previous quarter ended 31 December 2020.

A total of 2,046.9 kt of ROM coking coal was processed to produce 1,005.8 kt of washed coking coal, representing 36% YoY increase compared to the corresponding quarter in the previous year. This represents 28% QoQ decrease compared to the previous quarter ended 31 December 2020.

The Group sold a total of 580.8 kt of washed coking coal products in the first quarter of 2021, which represents 4% YoY decrease compared to the corresponding period of 2020. This represents 39% QoQ decrease compared to the previous quarter ended 31 December 2020.

The main operational data summarised and shown below 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.

Table 1. Main operational data for the quarter ended 31 March 2021:

Item	Unit	The quarter ended 31 March 2021	The quarter ended 31 March 2020	YoY change (%)	The quarter ended 31 December 2020	QoQ change (%)
ROM coal mined	kt	2,208.7	1,819.9	+21%	2,954.5	-25%
ROM coking coal processed	kt	2,046.9	1,495.2	+37%	3,007.0	-32%
Washed coking coal produced	kt	1,005.8	740.7	+36%	1,390.4	-28%
Washed coking coal sold	kt	580.8	607.7	-4%	950.0	-39%

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, 12 April 2021

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, 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.