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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 2022

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 has successfully enrolled its employees under the immunisation program initiated by the Government of Mongolia. According to data compiled by the Group, 99% of its entire staff have been administered a third dose, “booster shot”, of COVID-19 vaccine as at 31 March 2022.

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 2022. The comparative figures for the quarter ended 31 March 2021 and the quarter ended 31 December 2021 are also disclosed in this announcement.

During the first quarter of 2022, coal export shipments from Mongolia to China continued to be significantly impacted by reduced cross border throughput via Gashuunsukhait-Ganqimaodu checkpoint due to temporary limitations imposed by the Chinese authorities. Moreover, coal transportation from Tavan Tolgoi area to the trans-shipping yards at Tsagaan Khad located near the Sino-Mongolian border remained suspended by Mongolian authorities. As such, due to elevated saleable product inventories cumulated at mine site, the Group limited its coal mining operations, while coal processing operations remained suspended during the quarter ended 31 March 2022.

During the quarter ended 31 March 2022, the Group’s run-of-mine (“**ROM**”) coal mining output was 302.0 thousand tonnes (“**kt**”), representing 86% year-on-year (“**YoY**”) decrease compared to the corresponding period ended 31 March 2021 and 72% on quarter-on-quarter (“**QoQ**”) decrease compared to the previous quarter ended 31 December 2021.

The Group sold a total of 361.4 kt of washed coking coal products in the first quarter of 2022, which represents 38% YoY decrease compared to the corresponding period of 2021. This represents 16% QoQ decrease compared to the previous quarter ended 31 December 2021.

The main operational data summarised and shown below in Table 1 are all rounded and 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 2022:

Item	Unit	The quarter ended 31 March 2022	The quarter ended 31 March 2021	YoY change (%)	The quarter ended 31 December 2021	QoQ change (%)
ROM coal mined	kt	302.0	2,208.7	-86%	1,060.0	-72%
ROM coking coal processed	kt	0.0	2,046.9	-100%	960.8	-100%
Washed coking coal produced	kt	0.0	1,005.8	-100%	472.8	-100%
Washed coking coal sold	kt	361.4	580.8	-38%	428.8	-16%

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, 22 April 2022

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. Myagmarjav Ganbyamba, 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.