

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

OPERATIONAL UPDATE FOR THE QUARTER ENDED 31 DECEMBER 2021

The COVID-19 outbreak continued to impact the Group’s operating environment in 2021. 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 will continue to keep contingency measures under review as the situation evolves.

The Group has successfully enrolled its employees under the immunisation program initiated by the Government of Mongolia. According to data compiled by the Group, more than 93% of its staff have been administered a third dose, “booster shot”, of COVID-19 vaccine as at 31 December 2021.

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 2021. The comparative figures for the quarter ended 31 December 2020 and the quarter ended 30 September 2021 are also disclosed in this announcement.

During the year ended 31 December 2021, coal export shipments from Mongolia to China were significantly impacted by reduced cross border throughput via Gashuunsukhait-Ganqimaodu checkpoint due to temporary limitations imposed by the Chinese authorities after increase of COVID-19 infection cases in Mongolia. The Group has (i) mined approximately 4.3 million tonnes (“**Mt**”) of run-of-mine (“**ROM**”) coal; (ii) processed approximately 3.7 Mt of ROM coking coal to produce approximately 1.8 Mt of washed coking coal products; and (iii) sold approximately 1.2 Mt of washed coking coal products.

During the quarter ended 31 December 2021, the Group sold a total of 428.8 thousand tonnes (“**kt**”) of washed coking coal products, which represents 254% quarter-on-quarter (“**QoQ**”) increase compared to the previous quarter ended 30 September 2021. This represents 55% year-on-year (“**YoY**”) decrease compared to the corresponding period of 2020.

The Group had fully suspended its coal mining and processing operations during the previous quarter ended 30 September 2021 due to elevated saleable product inventories cumulated in Mongolia. Coal mining operations resumed during the quarter ended 31 December 2021 and the Group's ROM coal mining output for the fourth quarter of 2021 was 1,060.0 kt. This represents 64% YoY decrease compared to the corresponding period ended 31 December 2020. Also, during the fourth quarter of 2021, a total of 960.8 kt of ROM coking coal was processed to produce 472.8 kt of washed coking coal, representing 68% YoY decrease and 66% YoY decrease respectively compared to the corresponding period of 2020.

The main operational data summarized 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 December 2021:

Item	Unit	The quarter ended 31 December 2021	The quarter ended 30 September 2021	QoQ change (%)	The quarter ended 31 December 2020	YoY change (%)
ROM coal mined	kt	1,060.0	0.0	-	2,954.5	-64%
ROM coking coal processed	kt	960.8	0.0	-	3,007.0	-68%
Washed coking coal produced	kt	472.8	0.0	-	1,390.4	-66%
Washed coking coal sold	kt	428.8	121.1	+254%	950.0	-55%

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, 21 January 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.