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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 JUNE 2021

The COVID-19 virus outbreak since early 2020 has brought uncertainties to 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.

During the second quarter of 2021, the Group successfully enrolled its employees in the immunisation program initiated by the Government of Mongolia. According to data compiled by the Group, more than 98% of its staff, not restricted by pre-existing and other health conditions, have been fully administered with two doses of COVID-19 vaccines as at 30 June 2021.

The coal export shipments of the Group in the second quarter of 2021 were significantly impacted by reduced cross border throughput via Gashuunsukhait-Ganqimaodu checkpoint due to temporary limitations imposed by the Chinese authorities after the increase of COVID-19 infection cases in Mongolia. Subsequently, the cross border logistics issues have impacted the Group's sales volume for the quarter ended 30 June 2021. Therefore, the Group placed high priority on its liquidity position and pre-sold certain portion of its existing washed coking coal inventory cumulated at the Sino-Mongolian border and collected cash proceeds as advance payment from its customers.

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

During the quarter ended 30 June 2021, the Group's run-of-mine ("**ROM**") coal mining output was 1,050.5 thousand tonnes ("**kt**"), representing 71% year-on-year ("**YoY**") increase compared to the corresponding period ended 30 June 2020 and 52% quarter-on-quarter ("**QoQ**") decrease compared to the previous quarter ended 31 March 2021.

A total of 667.2 kt of ROM coking coal was processed to produce 323.8 kt of washed coking coal, representing 8% YoY decrease compared to the corresponding quarter in the previous year. This represents 67% QoQ decrease compared to the previous quarter ended 31 March 2021.

The Group sold a total of 91.9 kt of washed coking coal products in the second quarter of 2021, which represents 87% YoY decrease compared to the corresponding period of 2020. This represents 84% QoQ decrease compared to the previous quarter ended 31 March 2021.

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 the shareholders and potential investors of the Company 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 30 June 2021:

Item	Unit	The quarter ended 30 June 2021	The quarter ended 30 June 2020	YoY change (%)	The quarter ended 31 March 2021	QoQ change (%)
ROM coal mined	kt	1,050.5	614.4	71%	2,208.7	-52%
ROM coking coal processed	kt	667.2	721.6	-8%	2,046.9	-67%
Washed coking coal produced	kt	323.8	356.7	-9%	1,005.8	-68%
Washed coking coal sold	kt	91.9	734.1	-87%	580.8	-84%

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.

Shareholders and potential investors of the Company 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, 19 July 2021

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.