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

During the third quarter of 2021, coal export shipments from Mongolia continued to be 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 the country. Due to elevated saleable product inventories cumulated in Mongolia, the Group suspended its coal mining and processing operations to balance working capital needs during the quarter ended 30 September 2021, and pre-sold certain volume from its washed coking coal inventory to collect cash proceeds as advance payment from its customers.

Mongolian Prime Minister Luvsannamsrai Oyun-Erdene met with Chinese Premier Li Keqiang via video link on 12 October 2021. According to media reports, Premier Li said that China is willing to carry out diversified energy cooperation, adding that China welcomes a larger volume of coal trading between the two countries to achieve mutually beneficial results. Premier Li reiterated that China encourages and supports enterprises from the two countries to actively carry out cooperation in line with market principles and business rules to ensure a smooth and safe energy supply chain with reasonable and stable prices in the long term. Prime Minister Oyun-Erdene thanked China for providing COVID-19 vaccines to Mongolia and said the cooperation between the two countries in the fight against the pandemic has set a model for the international community. He also expressed aspiration for the two countries to strengthen cooperation in the fields of minerals, infrastructure construction, and desertification prevention and control, and that the two sides will increase their port clearance volume and promote the greater development of bilateral relations.

The Group sold a total of 121.1 kt of washed coking coal products in the third quarter of 2021, which represents 90% year-on-year (“YoY”) decrease compared to the corresponding period of 2020. This represents 32% quarter-on-quarter (“QoQ”) increase compared to the previous quarter ended 30 June 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 30 September 2021:

| Item | Unit | The quarter ended 30 September 2021 | The quarter ended 30 September 2020 | YoY change (%) | The quarter ended 30 June 2021 | QoQ change (%) |
|--------------------------------|------|-------------------------------------|-------------------------------------|----------------|--------------------------------|----------------|
| Run-of-mine (“ROM”) coal mined | kt | 0.0 | 2,350.5 | -100% | 1,050.5 | -100% |
| ROM coking coal processed | kt | 0.0 | 2,238.0 | -100% | 667.2 | -100% |
| Washed coking coal produced | kt | 0.0 | 1,063.4 | -100% | 323.8 | -100% |
| Washed coking coal sold | kt | 121.1 | 1,207.6 | -90% | 91.9 | +32% |

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 October 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.