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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 2018

The board of directors (the “**Board**”) of Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) has adopted a policy of announcing unaudited operational updates on a quarterly basis. This announcement sets out the unaudited operational update for the quarter ended 30 June 2018. The comparative figures for the quarter ended 30 June 2017 and the quarter ended 31 March 2018 are also disclosed in this announcement.

The main operational data summarized 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 30 June 2018:

| Item | Unit | The quarter ended 30 June 2018 | The quarter ended 31 March 2018 | Quarter on Quarter change (%) | The quarter ended 30 June 2017 | Year on Year change (%) |
|----------------------|------|--------------------------------|---------------------------------|-------------------------------|--------------------------------|-------------------------|
| ROM coal mined | kt | 2,454.5 | 1,832.1 | +34% | 2,557.6 | -4% |
| ROM coal processed | kt | 2,297.3 | 1,722.6 | +33% | 2,350.8 | -2% |
| Coking coal produced | kt | 1,198.4 | 850.4 | +41% | 1,175.4 | +2% |
| Coking coal yield | % | 52.2% | 49.4% | +2.8 ppt | 50.0% | +2.2 ppt |
| Coking coal sold | kt | 1,281.9 | 646.0 | +98% | 1,087.9 | +18% |

During the quarter ended 30 June 2018, the Group’s run-of-mine (“**ROM**”) coal mining output was 2,454.5 thousand tonnes (“**kt**”). This represents 34% increase from the previous quarter ended 31 March 2018, while it represents 4% decrease compared to the corresponding period ended 30 June 2017.

A total of 2,297.3 kt of ROM coal was processed, representing 33% increase compared to the previous quarter ended 31 March 2018 and resulting in the production of 1,198.4 kt of washed coking coal products at 52.2% yield. The ROM coal processed during the corresponding quarter ended 30 June 2017 was 2% higher.

The Group sold a total of 1,281.9 kt of washed coking coal products in the second quarter of 2018, which represents 18% increase compared to the corresponding period of 2017 and 98% quarter-on-quarter increase compared to the previous quarter ended 31 March 2018.

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, 16 July 2018

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.