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## **MONGOLIAN MINING CORPORATION**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 975)**

### **OVERSEAS REGULATORY ANNOUNCEMENT**

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The following is the full text of the information published by Energy Resources LLC, an indirectly wholly-owned subsidiary of Mongolian Mining Corporation, on the website of the Singapore Exchange Securities Trading Limited on 27 August 2018.

For and on behalf of  
**Mongolian Mining Corporation**  
**Odjargal Jambaljamts**  
*Chairman*

Hong Kong, 27 August 2018

*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. 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.*

*The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, its associated companies or the Notes.*



**ENERGY RESOURCES**  
*(Incorporated in Mongolia with Limited Liability)*

**ANNOUNCEMENT**  
**ENERGY RESOURCES GROUP EXCESS CASH CALCULATIONS**

This is an announcement (the “**Announcement**”) made by Energy Resources LLC (“**ER**”), an indirect wholly-owned subsidiary of Mongolian Mining Corporation (the “**Parent Company**”).

Pursuant to Section 6.04(a)(i) of the indenture, entered into, amongst others, by the Parent Company, ER, and the Bank of New York Mellon, relating to the US\$412,465,892 guaranteed senior notes due 2022 and dated 4 May 2017 (the “**Indenture**”), calculations of the ER Excess Cash for the relevant Semiannual Fiscal Period (the “**ER Excess Cash Calculations**”) are to be made publicly available periodically. Unless otherwise defined herein, capitalized terms in this Announcement will have the same meanings as those defined in the Indenture.

ER hereby provides the latest ER Excess Cash Calculations based on the respective semiannual financial statements of the ER Group which consists of ER and Energy Resources Corporation LLC and their respective subsidiaries. The latest ER Excess Cash Calculations disclosed in this Announcement covers the period from 1 January 2018 to 30 June 2018.

Further, pursuant to the Sections 6.03 and 6.04 of the Indenture, no cash shall be deposited to the debt service reserve account and no cash sweep premium is payable.

**ER Group's Excess Cash Calculations**  
*for the period from 1 January 2018 to 30 June 2018*

*USD'000*  
*(to the nearest '000)*

**Cash flows from operating activities**

Cash generated from operating activities	221,853
Cash used in operating activities	(166,884)
<i>of which, payments made for Exchange Date Overdue Trade Payables</i>	<i>(15,500)</i>
<b>Net cash generated from operations</b>	<b>54,969</b>

**Cash flows from investing activities**

Payments for acquisition of property, plant and equipment and construction in progress/ Capex Costs/	(5,116)
Payments for capitalized pre-stripping costs	(21,092)
<b>Net cash used in investing activities</b>	<b>(26,208)</b>

**Cash flows from financing activities**

Group Costs	(374)
Repayment of borrowings	–
Interest paid	(17,761)
<b>Net cash used in financing activities</b>	<b>(18,135)</b>

<b>Net increase in cash and cash equivalents</b>	<b>10,626</b>
<b>ER Group's consolidated cash balance as at 31 December 2017</b>	<b>5,719</b>
<b>ER Group's consolidated cash balance as at 30 June 2018</b>	<b>16,345</b>

**ER Group's Cash Threshold Calculation**  
**Cash required to be deposited into DSRA**  
**Cash used in excess of permitted cash limit**  
**Cash Threshold**

*USD'000*  
*(to the nearest '000)*

–  
–  
**25,000**



Certified by Ulemj Baskhuu, Chief Financial Officer on 27 August 2018

For and on behalf of  
**Energy Resources LLC**  
**Battsengel Gotov**  
*Chief Executive Officer*

Ulaanbaatar, 27 August 2018