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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with Limited Liability)

(Stock Code: 975)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

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The Company proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share, and to change the board lot size for trading in the Consolidated Shares from 500 Existing Shares to 3,000 Consolidated Shares upon the Share Consolidation becoming effective. The Share Consolidation is subject to the approval of the Shareholders.

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing further information on the Share Consolidation and a notice to convene the EGM is expected to be despatched to the Shareholders on or about Wednesday, 7 August 2019.

Shareholders and potential investors should be aware that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in this announcement and the change in board lot size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and, if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of US\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share. Fractional Consolidated Shares, if any, arising from the Share Consolidation, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is US\$150,000,000.00 comprising 15,000,000,000 Existing Shares of par value of US\$0.01 each, of which 10,291,767,865 Existing Shares have been issued and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Existing Share is issued or repurchased from the date hereof until the Effective Date, the authorised share capital of the Company will become US\$150,000,000.00 divided into 1,500,000,000 Consolidated Shares of par value of US\$0.10 each and, of which not less than 1,029,176,786 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company or the relative interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

The Outstanding Options

As at the date of this announcement, there were 353,477,207 Outstanding Options granted under the Share Option Scheme. Under the relevant terms and conditions thereof, the Share Consolidation may lead to adjustments to the exercise price and/or the number of shares of the Company falling to be issued upon exercise of the Outstanding Options pursuant to the terms thereof. Assuming there is no other adjustment event under the relevant share option scheme other than the Share Consolidation becoming effective, the Outstanding Options will entitle the holders thereof to subscribe for up to 35,347,720 Consolidated Shares in aggregate. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of the ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM of the Company; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on the Effective Date, i.e. being one clear Business Day after the date of passing the ordinary resolution approving the Share Consolidation at the EGM.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation taking effect.

Subject to the granting of the listing of, and the permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing, or permission to deal in, the Consolidated Shares is being or is proposed to be sought.

PROPOSED CHANGE OF BOARD LOT SIZE

The Shares are currently traded in board lots of 500 Existing Shares. The Company proposed to change the board lot size for trading on the Stock Exchange from 500 Existing Shares to 3,000 Consolidated Shares upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.115 per Existing Share (equivalent to HK\$1.15 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 3,000 Consolidated Shares, assuming the Share Consolidation and the change in board lot size had already become effective, would be HK\$3,450.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective, Shareholders may during the specified period submit share certificates for Existing Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange, at the expense of the Company, for

new share certificates for Consolidated Shares. Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at any time.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint Computershare Hong Kong Investor Services Limited as an agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders in relation to the Share Consolidation.

EXPECTED TIMETABLE

Set out below is the tentative timetable for the implementation of the Share Consolidation and change in board lot size. The expected timetable is subject to the results of the relevant EGM and is therefore for indicative purpose only. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Time and date 2019
Expected date of despatch of circular with notice and proxy form of the EGM	on or about Wednesday, 7 August
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM.	4:30 p.m. on Thursday, 15 August
Closure of register of members for determining the entitlement to attend and vote at the EGM	Friday, 16 August to Thursday, 22 August (both days inclusive)
Latest date and time for lodging proxy form for the EGM (not less than 48 hours prior to the time of the EGM)	3:00 p.m. on Tuesday, 20 August*
Proposed date and time of EGM	3:00 p.m. on Thursday, 22 August*
Announcement of poll results of the EGM	Thursday, 22 August

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation:

Effective Date of Share Consolidation	Monday, 26 August
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 26 August
Commencement of dealings in the Consolidated Shares.	9:00 a.m. on Monday, 26 August
Original counter for trading in Existing Shares in board lots of 500 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Monday, 26 August
Temporary counter for trading in the Consolidated Shares in board lots of 50 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 26 August
Original counter for trading in Consolidated Shares in new board lots of 3,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 9 September
Parallel trading in Consolidated Shares (in the forms of new share certificates and existing share certificates) commences	9:00 a.m. on Monday, 9 September
Designated agent starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. on Monday, 9 September
Temporary counter for trading in Consolidated Shares in board lots of 50 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Friday, 27 September
Parallel trading in Consolidated Shares (in the forms of new share certificates and existing share certificates) ends	4:00 p.m. on Friday, 27 September
Designated agent ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m. on Friday, 27 September
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 2 October

* *details of the time and venue of the proposed EGM and the latest time for lodging the proxy form for the EGM will be disclosed in the circular of the Company to be despatched to the Shareholders.*

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

It is expected that the Share Consolidation and change in board lot size will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Company believes that this will make investing in the shares more attractive to a broader range of investors and thus further broaden the shareholder base of the Company. The Company also believes that this will increase the liquidity of the trading of the Consolidated Shares on the Stock Exchange.

With a higher trading price of the Consolidated Shares and reduction in the transaction and handling costs as a proportion of the market value of each board lot, the Company believes that the Share Consolidation will also enhance its corporate image. Accordingly, the Company is of the view that the Share Consolidation and change in board lot size is beneficial to and in the interests of the Company and the Shareholders as a whole.

As of the date of this announcement, the Company has no plans for any further corporate action or arrangement that may affect trading in its Shares and it has no plans for any equity fundraising.

GENERAL

An EGM will be convened and held for the Shareholders to consider and if, thought fit, approve the Share Consolidation. A circular containing further information on the Share Consolidation and a notice to convene the EGM is expected to be despatched to the Shareholders on or about Wednesday, 7 August 2019.

Shareholders and potential investors should be aware that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in this announcement and the change in board lot size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and, if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Mongolian Mining Corporation, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 975)
“Consolidated Shares”	ordinary shares of US\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Consolidation shall become effective, being one clear Business Day after the date of the passing of the ordinary resolution approving the Share Consolidation at the EGM
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Share Consolidation
“Existing Shares”	ordinary shares of US\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	The Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Options”	the right(s) granted under the Share Option Scheme to subscribe for shares of the Company in accordance with the Share Option Scheme

“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the context may be
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares into one (1) Consolidated Share in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 17 September 2010
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars

For and on behalf of the Board
Mongolian Mining Corporation
Odjargal Jambaljamts
Chairman

Hong Kong, 22 July 2019

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.