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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

INSIDE INFORMATION AND RESUMPTION OF TRADING

This announcement (the “**Announcement**”) is made by Mongolian Mining Corporation (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is also made to the announcement of the Company dated 26 January 2016 in relation to the potential restructuring the Company is seeking for its US\$600,000,000 8.875% senior notes due 2017 (the “**Notes**”).

Reference is made to the announcement of the Company dated 5 March 2014 and the 2014 annual report in relation to the facilities agreement, as amended from time to time (the “**BNP/ICBC Facilities Agreement**”), dated 5 March 2014 entered into by the Company as borrower with, amongst others, BNP Paribas Hong Kong Branch as agent (the “**Agent**”), BNP Paribas Singapore branch and Industrial and Commercial Bank of China Limited as lenders (collectively, the “**Lenders**”). As at 31 December 2015, the outstanding principal amount of the BNP/ICBC Facilities Agreement was US\$93.0 million.

Reference is made to the 2014 annual report of the Company in relation to the US\$180 million term loan facilities, as amended (the “**Agency Bank Loans**”) entered into by Energy Resources LLC, a wholly-owned subsidiary of the Company (“**ER**”) as borrower with European Bank for Reconstruction and Development (“**EBRD**”) on 12 May 2010, and with Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (“**FMO**”) and Deutsche Investitions- und Entwicklungsgesellschaft mbH (“**DEG**”) on 11 August 2010. As at 31 December 2015, the outstanding principal amount of the Agency Bank Loans was US\$51.8 million.

FORMATION OF NOTEHOLDERS’ STEERING COMMITTEE AND APPOINTMENT OF LEGAL AND FINANCIAL ADVISER TO THE STEERING COMMITTEE

Following initial discussions with certain holders of the Notes (the “**Holders**”), a steering committee of Holders (the “**Steering Committee**”) has been formed. The Steering Committee has appointed Moelis & Company Asia Limited as its independent financial adviser and has retained Ropes & Gray as its legal adviser. The Company is in discussion with the Steering Committee’s independent financial adviser and legal adviser. Holders who would like to enquire about the potential restructuring of the Notes should contact any of the following:

Steering Committee's Independent Financial Adviser

Moelis & Company Asia Limited
One Pacific Place, Suite 1708
88 Queensway, Admiralty, Hong Kong
Attention: Bert Grisel
Tel: +852-3180-1030
Email: bert.grisel@moelis.com

Steering Committee's Legal Adviser

Ropes & Gray
41st Floor, One Exchange Square
8 Connaught Place
Central, Hong Kong
Attention: Daniel M. Anderson
Tel: +852 3664 6463
Email: Daniel.Anderson@ropesgray.com

Company's Restructuring Advisers

J.P. Morgan Securities (Asia Pacific) Limited
Chater House
8 Connaught Road Central
Hong Kong
Attention: Liability Management Group
Tel: +852-2800-7616/+852-2800-7639
Email: JPM_MMC@jpmorgan.com

SC Lowy Financial (HK) Ltd.
Suite 1401-02, Central Tower
28 Queen's Road Central, Hong Kong
Attention: Liability Management Group
Tel: +852-3405-1310/+852-3405-1326
Email: lmgroup@sclowy.com

The Company notes that the next interest payment date under the Notes is 29 March 2016, on which date it is obligated to pay accrued semi-annual interests totaling US\$26,625,000 (the "**Coupon Payment**"). Given that the Company has been in discussion with the Steering Committee and its advisers, and taking into account of the Company's current financial situation under continuing depressed market conditions, the Company currently expects that it is highly likely that the Company will not be able to make the Coupon Payment. If the Coupon Payment is not made and the Company has not been able to secure any waiver or forbearance from the Holders in this regard, an event of default under the Notes will take place.

THERE CAN BE NO ASSURANCE THAT ANY DISCUSSIONS WITH ANY HOLDER WILL LEAD TO A PROPOSAL ACCEPTABLE TO THE HOLDERS MORE GENERALLY OR THAT DISCUSSIONS WITH THE HOLDERS CAN BE PROGRESSED TO ANY POSITIVE CONCLUSION. ACCORDINGLY, THE COMPANY OFFERS NO ASSURANCE THAT THE PROPOSED RESTRUCTURING OF THE NOTES WILL BE SUCCESSFULLY CONCLUDED. SHAREHOLDERS OF THE COMPANY, THE HOLDERS, HOLDERS OF OTHER SECURITIES OF THE COMPANY AND POTENTIAL INVESTORS IN THE SECURITIES OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

WAIVER FROM THE LENDERS

On 14 March 2016, the Company received a temporary waiver letter granted by the Lenders, through the Agent, to the Company in relation to the BNP/ICBC Facilities Agreement (the “**Waiver Letter**”). Under the Waiver Letter, the Lenders have agreed to postpone the due date of the Company’s obligation to make certain repayment of principal installments and interests and replenish certain collection account to 22 March 2016 (the “**Payment to Lenders**”).

Taking into account of the Company’s current financial situation under continuing depressed market conditions, the Company currently expects that it is highly likely that the Company will not be able to make the Payment to Lenders on 22 March 2016. If the Payment to Lenders is not made and the Company has not been able to secure any waiver or forbearance from the Lenders in this regard, an event of default under the BNP/ICBC Facilities Agreement will take place.

THERE CAN BE NO ASSURANCE THAT ANY DISCUSSIONS WITH LENDERS WILL LEAD TO FURTHER EXTENSION OF WAIVER. ACCORDINGLY, THE COMPANY OFFERS NO ASSURANCE THAT THE DISCUSSIONS WITH LENDERS WILL BE SUCCESSFULLY CONCLUDED. SHAREHOLDERS OF THE COMPANY, THE HOLDERS, HOLDERS OF OTHER SECURITIES OF THE COMPANY AND POTENTIAL INVESTORS IN THE SECURITIES OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

SETTLEMENT OF THE AGENCY BANK LOANS

On 11 March 2016, EBRD, FMO and DEG entered into a deed of termination and release with ER in relation to the Agency Bank Loans (the “**Deed of Termination and Release**”). Pursuant to the Deed of Termination and Release, ER shall endorse to each of EBRD, FMO and DEG certain promissory notes issued by the Government of Mongolia to ER as payee (the “**Endorsement**”). In consideration of the Endorsement, the Agency Bank Loans will be discharged in their entirety and the relevant security thereunder will be released in accordance with the laws of Mongolia.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been halted with effect from 9:00 a.m. on 14 March 2016 pending the release of this announcement. An application has been made by the Company to The Stock Exchange of Hong Kong Limited for the resumption of trading in its shares with effect from 9:00 a.m. on 15 March 2016.

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

Hong Kong, 14 March 2016

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, Dr. Oyungerel Janchiv, Mr. Od Jambaljamts and Mr. Gankhuyag Adilbish, 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.