

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**”), currently with an outstanding principal amount of US\$14,618,186, 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 July 2019 to 31 December 2019.

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 July 2019 to 31 December 2019

USD' 000
(to the nearest ' 000)

Cash flows from operating activities

Cash generated from operating activities	245,235
Cash used in operating activities	(175,300)

Net cash generated from operations **69,935**

Cash flows from investing activities

Payments for acquisition of property, plant and equipment and construction in progress/Capex Costs/	(3,372)
Payments for capitalized pre-stripping costs	(45,149)

Net cash used in investing activities **(48,521)**

Cash flows from financing activities

Group Costs	(577)
Interest paid	(20,369)
Capital element of lease rentals paid	(89)
Interest element of lease rentals paid	(10)

Net cash used in financing activities **(21,045)**

Net increase in cash and cash equivalents **369**

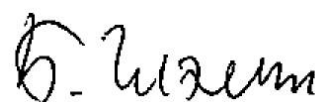
ER Group's consolidated cash balance as at 30 June 2019 **23,979**

ER Group's consolidated cash balance as at 31 December 2019 **24,348**

USD' 000
(to the nearest ' 000)

ER Group's Cash Threshold Calculation

Cash required to be deposited into DSRA	–
Cash used in excess of permitted cash limit	–
Cash Threshold	25,000



Certified by Ulemj Baskhuu, Chief Financial Officer on 23 March 2020

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

Ulaanbaatar, 23 March 2020