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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

RECENT DEVELOPMENT

This announcement (the “**Announcement**”) is made by Mongolian Mining Corporation (the “**Company**”) pursuant to Rule 13.09(2) and Rule 13.19 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**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 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**”) and security agent (the “**Security Agent**”), BNP Paribas Singapore branch and Industrial and Commercial Bank of China Limited as lenders (collectively, the “**Lenders**”).

Reference is also made to the announcement dated 23 March 2016 and the 2015 annual report of the Company that an event of default under the BNP/ICBC Facilities Agreement has taken place.

Reference is also made to the announcement of the Company dated 23 March 2012 in relation to the issuance of the US\$600,000,000 8.875% senior notes due 2017 issued by the Company (the “**Notes**”). An intercreditor agreement (as amended from time to time, the “**Intercreditor Agreement**”) was entered into between the Company, certain of its subsidiaries, the original lender under the BNP/ICBC Facilities Agreement, the trustee of the Notes and the shared security agent thereunder (the “**Shared Security Agent**”) with respect to the collateral over the capital stock of Mongolia Coal Corporation Limited (“**MCCL**”) under a share charge between the Shared Security Agent and the Company (the “**MCCL Share Charge**”) and the collateral over the capital stock of Mongolian Coal Corporation S.à.r.l. (“**MCCS**”) under a pledge over shares agreement between the Shared Security Agent and MCCL (the “**MCCS Share Pledge**”).

On 26 April 2016, the Company received (i) a notice from the Agent on acceleration and demand of the BNP/ICBC Facilities Agreement (the “**Acceleration Notice**”), and (ii) a notice from the Shared Security Agent on enforcement under the Intercreditor Agreement (the “**Enforcement Notice**”).

Under the Acceleration Notice, the Agent makes demand for immediate payment of all amounts accrued or outstanding under the BNP/ICBC Facilities Agreement of US\$95,433,943.90. As such, all such amounts are immediately due and payable.

Under the Enforcement Notice, the Shared Security Agent, as instructed by the Security Agent, has (i) enforced the security granted pursuant to the MCCL Share Charge and appointed certain persons from FTI Consulting as the receivers over such collateral (the “**Receivers**”), and (ii) appointed the same group of persons from FTI Consulting as its delegates in respect to the security granted pursuant to the MCCS Share Pledge.

MCCL, as the sole intermediary holding company below the Company, directly and indirectly owns the capital stock of all other subsidiaries of the Company.

The Company intends to maintain dialogue with the Lenders, the Receivers and their respective advisers.

The Company will publish further announcements to update the shareholders and potential investors the progress as and when necessary.

THERE CAN BE NO ASSURANCE THAT ANY DISCUSSIONS WITH THE LENDERS OR THE RECEIVERS WILL BE SUCCESSFULLY CONCLUDED. SHAREHOLDERS OF THE COMPANY, HOLDERS OF 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.

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

Hong Kong, 27 April 2016

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, 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.