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MONGOLIAN MINING CORPORATION

(In Provisional Liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

RESTRUCTURING SUPPORT AGREEMENTS

The Company is pleased to announce that on 21 December 2016, the Company, certain Subsidiary Guarantors (as defined below) and the JPLs (as defined below) entered into a restructuring support agreement with certain Consenting Noteholders (as defined below), pursuant to which such Consenting Noteholders agreed to support the proposed Debt Restructuring (as defined below). Under the terms of the restructuring support agreement with the Consenting Noteholders (the “**Noteholder RSA**”), the Consenting Noteholders have undertaken to work in good faith with the Company to implement the Debt Restructuring as soon as possible.

The Company is pleased to announce that on 21 December 2016, the Company and the JPLs entered into a restructuring support agreement with QGX (as defined below), pursuant to which QGX agreed to support the proposed Debt Restructuring. Under the terms of the restructuring support agreement with QGX (the “**QGX RSA**”), QGX has undertaken to work in good faith with the Company to implement the Debt Restructuring as soon as possible.

The Company is pleased to announce that on 21 December 2016, the Obligors (as defined below, and which includes the Company) and the JPLs entered into a restructuring support letter with the Lenders (as defined below) and their agent, pursuant to which the Lenders agreed to support the proposed Debt Restructuring. Under the terms of the restructuring support letter (the “**Lenders RSA**”), the Lenders have undertaken to work in good faith with the Company to implement the Debt Restructuring as soon as possible.

This announcement (the “**Announcement**”) is made by Mongolian Mining Corporation (In Provisional Liquidation) (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of 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). The Company and its subsidiaries are collectively referred to as the “**Group**”.

Reference is made to the announcement of the Company dated 3 November 2016 that the key commercial terms of the proposed debt restructuring (the “**Debt Restructuring**”) in the form of a term sheet (the “**Term Sheet**”) have the support of the steering committee of holders of US\$600,000,000 8.875% senior notes due 2017 issued by the Company (the “**Notes**”, and the holders of the Notes, the “**Noteholders**”), the lenders (the “**Lenders**”) under the facilities agreement dated 5 March 2014 with the Company (the “**Facilities Agreement**”), and QGX Holdings Ltd. (“**QGX**”) which holds certain promissory notes issued by the Company.

NOTEHOLDER RSA

On 21 December 2016, the Company, Mongolian Coal Corporation Limited, Mongolian Coal Corporation S.à.r.l., Energy Resources Corporation LLC, Energy Resources LLC, Energy Resources Rail LLC, Energy Resources Mining LLC, Transgobi LLC and Gobi Road LLC (together, the “**Subsidiary Guarantors**”), certain consenting noteholders (the “**Consenting Noteholders**”), and the JPLs (as defined below) (collectively the “**Parties to the Noteholder RSA**”) entered into the Noteholder RSA pursuant to which they have agreed to support the proposed Debt Restructuring.

The Company is pleased to announce the launch of the Noteholder RSA in relation to the Debt Restructuring which has been executed by the Company and an initial group of Consenting Noteholders who are expected to hold Supporting Notes (as defined below) as at the effective date of the Noteholder RSA of at least one third (1/3) of the principal outstanding amount under the Notes.

Noteholders who are not already a Party to the Noteholder RSA may accede to the Noteholder RSA to become eligible, subject to the terms of the Noteholder RSA, to receive the relevant consent fees. Accordingly, the Company invites Noteholders who are interested in acceding to the Noteholder RSA to identify themselves and receive a copy of the Noteholder RSA by visiting www.lynchpinbm.com/project/mongolian-mining/.

For any questions relating to the Noteholder RSA, please contact any of the following parties:

Information Agent

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Joint Provisional Liquidators

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Under the terms of the Noteholder RSA, the Consenting Noteholders will undertake to work in good faith with the Company to implement the terms of the Debt Restructuring as soon as possible, and the Company will provide various undertakings with respect to the implementation of the Debt Restructuring. Each Consenting Noteholder will indicate the principal amount of Notes held by it that will be subject to the Noteholder RSA (such notes being “**Supporting Notes**”), which could comprise, at the discretion of such Noteholder, all or less than all of the Notes held by such Consenting Noteholder. The Noteholder RSA has other terms with respect to conditions to effectiveness, transfers and termination amongst other terms customary for restructuring support agreements.

Pursuant to the terms of the Noteholder RSA, the Consenting Noteholders will be entitled to receive certain consent fees as described below:

- (a) an early consent fee of **1.0%** of the aggregate principal amount of Notes designated as Supporting Notes by Noteholders who accede to the Noteholder RSA **on or before 13 January 2017**, payable in a mixture of cash and New Senior Secured Notes (as defined in the Term Sheet) and subject to the terms of the Noteholder RSA, including those summarized below;
- (b) an interim consent fee of **0.75%** of the aggregate principal amount of Notes designated as Supporting Notes by Noteholders who accede to the Noteholder RSA after 13 January 2017 but **before 4:00 p.m. New York time on 20 January 2017**, payable in a mixture of cash and New Senior Secured Notes and subject to the terms of the Noteholder RSA, including those summarized below; and
- (c) a late consent fee of **0.10%** of the aggregate principal amount of Notes designated as Supporting Notes by Noteholders who accede to the Noteholder RSA after 4:00 p.m. New York time on 20 January 2017 but **on or before midnight on the date falling five Business Days (as defined below) before the Record Time** (as defined below), payable in New Senior Secured Notes only and subject to the terms of the Noteholder RSA, including those summarized below.

The key terms of, including details regarding the consent fees payable under, the Noteholder RSA are summarized in further detail below.

QGX RSA

On 21 December 2016, the Company, QGX, and the JPLs (collectively the “**Parties to the QGX RSA**”) entered into the QGX RSA pursuant to which they have agreed to support the proposed Debt Restructuring.

The key terms of the QGX RSA are summarized in further detail below.

LENDERS RSA

On 21 December 2016, the Company, Energy Resources LLC, Energy Resources Corporation LLC, Mongolian Coal Corporation Limited, Mongolian Coal Corporation S.à.r.l. and Transgobi LLC (collectively, the “**Obligors**”), the Lenders, and the JPLs (collectively the “**Parties to the Lenders RSA**”) entered into the Lenders RSA pursuant to which they have agreed to support the proposed Debt Restructuring.

The key terms of the Lenders RSA are summarized in further detail below.

CAYMAN COURT APPROVAL

Reference is made to the announcement of the Company dated 21 July 2016 in relation to the appointment by the Grand Court of the Cayman Islands (the “**Cayman Court**”) of Mr. Simon Conway of PwC Corporate Finance Recovery (Cayman) Limited and Mr. Christopher So Man Chun of PricewaterhouseCoopers Ltd. as joint provisional liquidators (the “**JPLs**”) of the Company on a soft touch basis to assist the Company and its existing board of directors with the implementation of the Debt Restructuring. In order for the JPLs to have been appointed by the Cayman Court, a petition for the winding up of the Company (the “**Petition**”) was required to be filed with the Cayman Court as a necessary pre-cursor to facilitate its application seeking the appointment of the JPLs. As at the date of this Announcement, no winding up order has been made against the Company.

Reference is also made to the announcement of the Company dated 20 November 2016 that the Petition was adjourned by way of Consent Order dated 17 November 2016 (received by the Company on 18 November 2016) to the first available date after 5 December 2016.

Pursuant to Cayman Islands law, the JPLs are required to seek the approval and sanction (the “**RSA Sanction Order**”) of the Cayman Court in respect of their entry into, on behalf of the Company, each of the Noteholder RSA, the QGX RSA and the Lenders RSA (the “**RSA Sanction Application**”). Such approval from the Cayman Court is a condition to the effectiveness of each of the Noteholder RSA, the QGX RSA and the Lenders RSA.

The RSA Sanction Application and the Petition have presently been listed to be heard before the Cayman Court at **10:00 a.m. on 21 December 2016 (Cayman Islands time)**.

NOTEHOLDER RSA – SUMMARY OF KEY TERMS

Set out below is a non-exhaustive summary of the key terms of the Noteholder RSA. However, Noteholders are encouraged to request a copy of, and review, the full terms of the Noteholder RSA, as directed above.

Conditions Precedent

The Noteholder RSA was executed on 21 December 2016 and the majority of its provisions became effective on that date. However, certain provisions of the Noteholder RSA (including those provisions summarized under the sections headed “*Undertakings by the Consenting Noteholders*”, “*Undertakings by the Company and the Subsidiary Guarantors*” and “*Consent Fee*” below) will only take effect on the date upon which all the following have occurred (the “**Noteholder RSA Effective Date**”):

- (a) the Parties to the Noteholder RSA have all signed the Noteholder RSA and the JPLs confirm to all Parties to the Noteholder RSA that they have received an electronically scanned copy of the duly executed original of the Noteholder RSA from all Parties to the Noteholder RSA;
- (b) the Lenders have entered into the Lenders RSA;
- (c) QGX has entered into the QGX RSA;

- (d) all conditions precedent to the effectiveness of the Lenders RSA and the QGX RSA have been satisfied, with the exception of any condition precedent that requires the Noteholder RSA to have become effective in accordance with its terms; and
- (e) the Cayman Court has granted the RSA Sanction Order (which is expected to be obtained pursuant to the RSA Sanction Application).

Undertakings by the Consenting Noteholders

Pursuant to the Noteholder RSA, each Consenting Noteholder undertakes not to perform any restricted action including, amongst other things:

- (a) the taking of steps to accelerate the demand of payment under a Notes document;
- (b) enforcement of security granted by the Company;
- (c) commencement of insolvency or other legal or arbitration proceedings against the Company or any member of the Group; and
- (d) actions that would frustrate, delay, impede or prevent the Debt Restructuring or certain schemes of arrangement proposed to be effected pursuant to (i) section 86 of the Cayman Companies Law between the Company and the Noteholders for the purpose of implementing the Debt Restructuring as it applies in respect of the Notes (the “**Cayman Scheme**”), and (ii) pursuant to sections 673 and 674 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as applicable in Hong Kong between the Company and Noteholders for the purpose of implementing the Debt Restructuring as it applies in respect of the Notes (the “**Hong Kong Scheme**”, and collectively with the Cayman Scheme, the “**Schemes**”).

Each Consenting Noteholder also undertakes, amongst other things, to:

- (a) work in good faith with the Company and its advisors to implement the Debt Restructuring as soon as possible in a manner consistent with the terms of the Noteholder RSA and the Term Sheet;
- (b) enter into negotiations in good faith in order to finalise the terms of all documents, agreements and instruments necessary to implement the Debt Restructuring (the “**Restructuring Documents**”) to which such Consenting Noteholder will be a party in form and substance consistent with the Term Sheet, in order to implement and consummate the Debt Restructuring (*provided* that no Consenting Noteholder shall be required to receive any material non-public information in connection with such negotiations unless and to the extent that it is imperative to the successful implementation of the Debt Restructuring but subject always to the prior consent of such Consenting Noteholder);
- (c) vote and deliver within any applicable time periods any proxies, instructions, directions or consents in respect of the aggregate total amount of the Supporting Notes held by it, including (without limitation) by attending the scheme meetings by proxy or in person and by voting in favour of and taking all steps necessary to vote in favour of the Schemes and any amendment or modification to the Schemes or adjournment to the scheme meetings (or any one of them), *provided* that the Schemes are proposed by the Company and that the terms of the Schemes (including any amendments or modifications) are consistent with the approved Restructuring Documents (the “**Approved Schemes**”);

- (d) provide reasonable support and assistance to the Company and any other member of the Group (at the expense of the Group and without incurring any additional liability or obligation) to prevent the occurrence of an insolvency proceeding including, without limitation, supporting any application, filing and/or petition or similar to the courts of any jurisdiction in connection with the same and filing any evidence in support of the opposition to the commencement or continuation of such insolvency proceeding which the Company or relevant member of the Group deems necessary or desirable to file (*provided* that such support and assistance is in a form reasonably acceptable to such Consenting Noteholder);
- (e) support any other actions as may be taken by the Company or any Subsidiary Guarantor (at the expense of the Group and without incurring any additional liability or obligation) pursuant to an order of, or sanction by, the Cayman Court, the High Court of Hong Kong (the “**Hong Kong Court**”), and/or the US Bankruptcy Court (as the case may be) as may be reasonably required or reasonably necessary to implement or give effect to the Approved Schemes;
- (f) support the filing of a petition under Chapter 15 of the United States Bankruptcy Code for the purposes of obtaining orders of the United States Bankruptcy Court for the Southern District of New York (the “**US Bankruptcy Court**”) recognizing the Company’s provisional liquidation as a foreign main proceeding (or, in the alternative, a foreign non-main proceeding) (the “**Chapter 15 Recognition Order**”) and recognizing and giving effect to the Cayman Scheme (the “**Chapter 15 Scheme Order**”), entry of the Chapter 15 Recognition Order, and entry of the Chapter 15 Scheme Order (at the expense of the Group and without incurring any additional liability or obligation) as may be reasonably required or reasonably necessary to implement or give effect to the Approved Schemes; and
- (g) take any other commercially reasonable actions which are necessary on the part of the Consenting Noteholders to complete the Approved Schemes, *provided* that no Consenting Noteholder shall be required to take any action that would cause it to incur, in its absolute judgment, any cost or liability unless such cost or liability is specifically indemnified by the Company to the reasonable satisfaction of such Consenting Noteholder.

Undertakings by the Company and the Subsidiary Guarantors

Pursuant to the Noteholder RSA, the Company and the Subsidiary Guarantors undertake, amongst other things, that they will take all actions which they consider reasonably necessary to take in order to support, facilitate, implement or otherwise give effect to the Debt Restructuring as soon as reasonably practicable and, in any event, before 8 May 2017 (or such later date as may be agreed by the Company and the Consenting Noteholders who hold Supporting Notes constituting more than 95% in aggregate of the aggregate principal amount of all Supporting Notes held by all Consenting Noteholders at the relevant time) (the “**Noteholder RSA Longstop Date**”).

The Company and the Subsidiary Guarantors also undertake that they will not, without the prior written consent of the Consenting Noteholders who hold Supporting Notes constituting more than 75% in aggregate principal amount of all Supporting Notes held by all Consenting Noteholders at the relevant time (the “**Majority Consenting Noteholders**”):

- (a) intentionally take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would reasonably be expected to, frustrate, delay, impede or prevent the Schemes or the Debt Restructuring or which is inconsistent with the Noteholder RSA or the Term Sheet;

- (b) assign or transfer any of its rights and interests in respect of, or declare or create any trust of any of its rights, interests or benefits in respect of, the Noteholder RSA;
- (c) take or consent to the taking of any action which supports or favours any proposed composition, compromise, assignment or arrangement with any creditor of the Company or the Group other than pursuant to the implementation of the Debt Restructuring or the Noteholder RSA (excluding for these purposes any proposed amendment or variation to the Debt Restructuring); and
- (d) amend the Lenders RSA or the QGX RSA, agree any termination of the Lenders RSA or the QGX RSA, or grant any waiver thereunder.

Consent Fees

Early Consent Fee

Each Consenting Noteholder which holds Supporting Notes and accedes to the Noteholder RSA on or before 13 January 2017 (the “**Early Consent Fee Longstop Date**”, and such Supporting Notes the “**Early Consent Fee Supporting Notes**”) will, subject to the terms of the Noteholder RSA, receive an early consent fee in an amount equal to:

- (a) 0.25% of the aggregate principal amount of Early Consent Fee Supporting Notes payable in cash within five Business Days (which means a day (other than a Saturday, Sunday or a public or government sanctioned holiday) when banks in Hong Kong and the Cayman Islands are open for business) from the Early Consent Fee Longstop Date; and
- (b) 0.75% of the aggregate principal amount of Early Consent Fee Supporting Notes payable as 0.50% in cash and 0.25% additional principal amount in New Senior Secured Notes within five Business Days from the date on which the Debt Restructuring has been completed in accordance with the terms of the Restructuring Documents (the “**Restructuring Effective Date**”),

provided that such Consenting Noteholder has not breached any prohibitions and undertakings under the Noteholder RSA in any material respect.

Interim Consent Fee

Each Consenting Noteholder which holds Supporting Notes and accedes to the Noteholder RSA after the Early Consent Fee Longstop Date but before 4:00 p.m. New York time on 20 January 2017 (the “**Interim Consent Fee Longstop Date**”, and such Supporting Notes the “**Interim Consent Fee Supporting Notes**”) will, subject to the terms of the Noteholder RSA, receive an interim consent fee in an amount equal to 0.50% of the aggregate principal amount of Interim Consent Fee Supporting Notes payable in cash and 0.25% of the aggregate principal amount of Interim Consent Fee Supporting Notes payable as additional principal amount in New Senior Secured Notes within five Business Days of the Restructuring Effective Date, *provided* that such Consenting Noteholder has not breached any prohibitions and undertakings under the Noteholder RSA in any material respect.

Late Consent Fee

Each Consenting Noteholder which holds Supporting Notes and accedes to the Noteholder RSA after the Interim Consent Fee Longstop Date but on or before midnight on the date falling five Business Days before the Record Time (the Supporting Notes as the “**Late Consent Fee Supporting Notes**”) will, subject to the terms of the Noteholder RSA, receive a late consent fee in an amount equal to 0.10% of the aggregate principal amount of Late Consent Fee Supporting Notes payable as additional principal amount in New Senior Secured Notes within five Business Days of the Restructuring Effective Date, *provided* that such Consenting Noteholder has not breached any prohibitions and undertakings under the Noteholder RSA in any material respect.

For such purposes, the “**Record Time**” will be a time to be specified in the Restructuring Documents in so far as it applies in respect of the Notes in accordance with the Noteholder RSA and the Term Sheet. It is expected that the Record Time will be the time at which the claims of Noteholders which will be subject to the Schemes will be determined.

Transfers

From the Noteholder RSA Effective Date until the date on which the Noteholder RSA is terminated in accordance with its terms, no Consenting Noteholder may assign, transfer or sub-participate any of its rights, interests, benefits or entitlements in respect of, or declare or create any trust of any of its rights, interests, benefits or entitlements in respect of, its Supporting Notes (a “**Transfer**”) to any person (a “**Proposed Transferee**”) unless:

- (a) the Proposed Transferee is already a Consenting Noteholder and gives notice of the Transfer to the JPLs within five Business Days of the Transfer; or
- (b) the Proposed Transferee delivers to the Company a duly completed and signed accession letter (an “**Accession Letter**”) in the form scheduled to the Noteholder RSA in respect of the relevant rights, interests, benefits or entitlements in such Supporting Notes proposed to be transferred to such Proposed Transferee in accordance with the Noteholder RSA.

Acquisitions

Subject to the provisions summarized under the section headed “*Transfers*” above, nothing in the Noteholder RSA shall restrict any Consenting Noteholder’s rights to acquire additional Notes (whether such Notes are or are not Supporting Notes at the time of acquisition). After the Noteholder RSA Effective Date, if a Consenting Noteholder acquires additional Notes which are Supporting Notes at the time of acquisition, such Supporting Notes shall remain Supporting Notes.

If a Consenting Noteholder acquires additional Notes which are not Supporting Notes at the time of acquisition, such additional Notes shall only become Supporting Notes if the Consenting Noteholder elects to deliver a notice (a “**Supporting Notes Notice**”) in the form scheduled to the Noteholder RSA in respect of such additional Notes. After the Noteholder RSA Effective Date, if any Consenting Noteholder acquires any additional Notes, that Consenting Noteholder must, within five Business Days of such acquisition, provide written notice of that acquisition to the JPLs, and the Company, *provided* that a Consenting Noteholder is not obliged to notify the JPLs or the Company in respect of any acquisition of Notes which are not Supporting Notes.

Accessions and Cessations

Any Noteholder or Proposed Transferee may become a Consenting Noteholder under the Noteholder RSA by delivering to the Company and the JPLs a duly completed and executed Accession Letter in respect of its holdings of Supporting Notes (or, in respect of a Proposed Transferee, its holdings of Supporting Notes following completion of a Transfer). On delivery of such an Accession Letter to the Company:

- (a) the Noteholder RSA shall be read and construed as if such Consenting Noteholder was a party;
- (b) such Consenting Noteholder agrees to be bound by the terms of the Noteholder RSA as a Consenting Noteholder;
- (c) such Supporting Notes shall automatically be deemed to be subject to the terms of the Noteholder RSA; and
- (d) such Consenting Noteholder acknowledges and submits to the jurisdiction of the Cayman Court and the Hong Kong Court in respect of the Schemes.

If a Consenting Noteholder ceases at any time to hold Supporting Notes as a result of any Transfer of those Supporting Notes in compliance with the Noteholder RSA, it shall, subject to the provisions relating to Transfers, cease to be a Consenting Noteholder in respect of such Supporting Notes, *provided* that if such Consenting Noteholder continues to hold an amount of Supporting Notes notwithstanding such Transfer, it shall continue to be a Consenting Noteholder in respect of the balance of Notes held by it which shall remain Supporting Notes.

Limitations

Nothing in the Noteholder RSA shall:

- (a) require any party to it to take any action, or omit to take any action, which would breach its constitution or any legal or regulatory requirement or any order or direction of any governmental body or waive or forego the benefit of any applicable legal professional privilege and which impediment cannot be avoided or removed by taking reasonable steps;
- (b) restrict any director or officer of the Company or any other member of the Group from commencing insolvency proceedings in respect of the Company or such member of the Group if that director or officer reasonably considers, based on the written advice of counsel qualified in the relevant jurisdiction, it is required to do so by any law, regulation or fiduciary duty, and such officer may take any steps which may be necessary to comply with any such law, regulation or fiduciary duty;
- (c) require any Consenting Noteholder, in its capacity as a scheme creditor under the Schemes (a “**Scheme Creditor**”) (or as advisor to or manager of a Scheme Creditor) or otherwise, to incur or take any action that would result in it incurring any out-of-pocket expense or other financial obligation or liability (including any indemnification of any person) in respect of which the Company is not subject to an equivalent payment or reimbursement obligation under an applicable fee letter;
- (d) oblige any Consenting Noteholder to incur any liability other than as expressly contemplated by the Noteholder RSA; or

- (e) require any Consenting Noteholder to receive any material non-public information, or enter into a non-disclosure agreement with the Company or any other party, except to the extent required in connection with, or as a result of, a request for documents or information made by the advisors to the Consenting Noteholders from time to time in accordance with the provisions of the Noteholder RSA.

Termination

The Noteholder RSA may be terminated in a number of circumstances. These include:

- (a) automatic termination whereby the Noteholder RSA shall automatically terminate on the earliest of, among others, the following events:
 - (i) the Noteholder RSA Longstop Date;
 - (ii) the Restructuring Effective Date;
 - (iii) the entry of a final non-appealable order by any court of competent jurisdiction or other competent governmental or regulatory authority making illegal or otherwise preventing the consummation of the Debt Restructuring;
 - (iv) either of the Schemes not being approved by a majority in number representing at least 75% in value of the Noteholders present and voting (either in person or by proxy) at the Scheme meetings;
 - (v) the Cayman Court granting an order declining to sanction the Cayman Scheme and (i) the Company confirming that it will not appeal such order; or (ii) if an appeal is lodged, the appeal being dismissed and the Cayman Court granting a final order declining to sanction the Cayman Scheme; and
 - (vi) the Hong Kong Court granting an order declining to sanction the Hong Kong Scheme and: the Company confirming that it will not appeal such order; or if an appeal is lodged, the appeal being dismissed and the Hong Kong Court granting a final order declining to sanction the Hong Kong Scheme;
- (b) termination at any time with the mutual written consent of the Company and the Majority Consenting Noteholders;
- (c) termination by the Majority Consenting Noteholders in respect of all Consenting Noteholders upon the occurrence of the following specified events:
 - (i) if agreements to implement the Debt Restructuring have not been entered into by the Company and the Subsidiary Guarantors (as applicable) with either the Lenders or QGX by 30 January 2017;
 - (ii) if the Company has not, prior to 17 February 2017, filed a petition with the Cayman Court seeking the sanction of the Cayman Scheme and has not filed a summons for directions (the “**Summons**”), seeking orders convening a meeting of the Company’s creditors and has not taken such equivalent actions as is necessary to obtain the sanction by the Hong Kong Court of the Hong Kong Scheme;

- (iii) if in the Summons the Company has not sought orders that the notice convening the scheme meetings and supporting documentation be circulated within seven days of the hearing of the Summons, and the Company does not comply with the order made by the Court;
 - (iv) if in the Summons the Company has not sought orders that the scheme meetings occur within 28 days of the hearing of the Summons, and the Company does not comply with the order made by the court;
 - (v) if the Company has not made reasonable and good faith efforts to have the sanction hearing listed and the Schemes are not sanctioned by the Cayman Court and Hong Kong Court (respectively) within 20 Business Days of the scheme meetings; or
 - (vi) if the Company fails to apply for the Chapter 15 Scheme Order within five Business Days of the later of the Cayman Court and the Hong Kong Court (respectively) sanctioning the Schemes; and
- (d) the Noteholder RSA may be terminated in respect of a Consenting Noteholder (but shall continue in full force and effect in respect of the other parties), at the election of that Consenting Noteholder, by the delivery of a written notice of termination to the Company upon the occurrence of any of the following events:
- (i) if any one or more Scheme Creditor(s) other than Consenting Noteholders (in such context, collectively, the “**Blocking Creditor**”) provides evidence satisfactory to the Company and the relevant Consenting Noteholder (each acting reasonably) that such Blocking Creditor (x) holds (or advises or manages one or more Scheme Creditor(s) who hold(s)) an aggregate of more than 25% of the Notes; and (y) will oppose the Debt Restructuring and vote against the Schemes in respect of all such Notes;
 - (ii) if any member of the Group does not comply with any provisions in the Noteholder RSA in any material respect, unless the failure to comply is capable of remedy and is remedied within five Business Days;
 - (iii) if any change, event or circumstance occurring after the Noteholder RSA Effective Date, which has a material adverse effect on the business, assets, condition (financial or otherwise) or prospects of the members of the Group by reference to their condition and/or the circumstances existing as at the Noteholder RSA Effective Date, or could materially and adversely affect the business, operations, or condition (financial or otherwise) of the Group such that any member of the Group may not be able to perform its material obligations in accordance with the terms of the Debt Restructuring;
 - (iv) if either the Lenders RSA or the QGX RSA is terminated in accordance with its terms by any party;
 - (v) if there is a breach of either the Lenders RSA or the QGX RSA; or

- (vi) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, receiver, administrator or similar officer) by any person or entity in relation to, the winding up, dissolution, administration, receivership or reorganisation of the Company or any Group entity and/or any or all of its or their respective liabilities or any suspension of payments or moratorium of any indebtedness of the Company or any Group entity, or any enforcement steps being taken by any third party (including without limitation, by or at the behest interest of any Party to the Noteholder RSA) or any analogous procedure or step in any jurisdiction, in each case if likely to materially frustrate the Debt Restructuring.

QGX RSA – SUMMARY OF KEY TERMS

Pursuant to the amendment agreement dated 27 November 2012 to a share purchase agreement dated 31 November 2011 between the Company, Mongolian Coal Corporation Limited, Kerry Mining (Mongolia) Limited and Quincunx (BVI) Ltd. (as amended by nine amendments thereafter) (the “**Promissory Note Instrument**”), promissory notes in the aggregate original principal amount of US\$105,000,000 (the “**Promissory Notes**”) were issued by the Company to QGX.

Set out below is a non-exhaustive summary of the key terms of the QGX RSA.

Conditions Precedent

The QGX RSA was executed on 21 December 2016 by the Company, the JPLs and QGX and shall become effective on the date upon which all the following have occurred (the “**QGX RSA Effective Date**”):

- (a) the Parties to the QGX RSA have all signed the QGX RSA and the JPLs confirm to all Parties to the QGX RSA that they have received an electronically scanned copy of the duly executed original of the QGX RSA from all Parties to the QGX RSA;
- (b) the Parties to the Lenders RSA have entered into the Lenders RSA, which has become effective in accordance with its terms;
- (c) the Parties to the Noteholder RSA have entered into the Noteholder RSA, which has become effective in accordance with its terms; and
- (d) the Cayman Court has granted the RSA Sanction Order (which is expected to be obtained pursuant to the RSA Sanction Application).

Undertakings by QGX

QGX undertakes not to perform any restricted action including, among others:

- (a) acceleration of the demand of payment under the Promissory Note Instrument;
- (b) commencement of insolvency or other legal or arbitration proceedings against the Company or any member of the Group; and
- (c) actions that would prevent or impede the Debt Restructuring or the Schemes.

QGX further undertakes, among others, to:

- (a) work with the Company and its advisors to implement the Debt Restructuring as soon as possible in a manner consistent with the terms of the QGX RSA and the Term Sheet;
- (b) enter into negotiations in good faith in order to finalise the terms of any Restructuring Documents to which QGX will be a party in form and substance consistent with the Term Sheet, in order to implement and consummate the Debt Restructuring;
- (c) provide reasonable support and assistance to the Company and any other member of the Group to prevent the occurrence of an insolvency proceeding including, without limitation, supporting any application, filing and/or petition or similar to the courts of any jurisdiction in connection with the same and filing any evidence in support of the opposition to the commencement or continuation of such insolvency proceeding which the Company or relevant member of the Group deems necessary or desirable to file;
- (d) to the extent any insolvency proceeding occurs in respect of the Company or any member of the Group in any relevant jurisdiction, use reasonable endeavours to implement the Debt Restructuring through the relevant insolvency proceedings and ensure that the Debt Restructuring (if implemented) is recognised in all relevant jurisdictions;
- (e) provide reasonable support and assistance to the Company and any other member of the Group in respect of the seeking and prompt obtaining of any consents, approvals or authorisations which are necessary or desirable in order to facilitate the implementation of the Debt Restructuring, including, without limitation, consents, approvals or authorisations from the The Stock Exchange of Hong Kong Limited and any and all other relevant governmental bodies;
- (f) not take any actions inconsistent with, or that would delay approval or confirmation of, the Debt Restructuring or any related documents, except to the extent that the Debt Restructuring and any related documents are inconsistent with the Term Sheet;
- (g) support any other actions as may be taken by the Company pursuant to an order of, or sanction by, the Cayman Court, the Hong Kong Court, and/or the US Bankruptcy Court (as the case may be), as may be reasonably required or reasonably necessary to implement or give effect to the Debt Restructuring;
- (h) support the Chapter 15 Filing, entry of the Chapter 15 Recognition Order, and entry of the Chapter 15 Scheme Order; not objecting to any relief sought in connection with the Chapter 15 Filing that is consistent with the Debt Restructuring; and, if necessary or desirable, providing any consent or confirmation to the US Bankruptcy Court which the Company or its advisors may reasonably deem necessary or desirable in support of the Chapter 15 Filing; and
- (i) provide confirmation to any other person that it supports the Debt Restructuring as may reasonably be required by the Company.

Undertakings by the Company

The Company undertakes, among others, that it will take all actions which it considers reasonably necessary to take in order to support, facilitate, implement or otherwise give effect to the Debt Restructuring as soon as reasonably practicable. A non-exhaustive list of actions is listed in the QGX RSA.

The Company also undertakes that it will not, without the prior written consent of QGX:

- (a) intentionally take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would reasonably be expected to, frustrate, delay, impede or prevent the Schemes or the Debt Restructuring or which is inconsistent with the QGX RSA or the Term Sheet;
- (b) assign or transfer any of its rights and interests in respect of, or declare or create any trust of any of its rights, interests or benefits in respect of, the QGX RSA; or
- (c) take or consent to the taking of any action which supports or favours any proposed composition, compromise, assignment or arrangement with any creditor of the Company or the Group other than pursuant to the implementation of the Debt Restructuring or the QGX RSA (excluding for these purposes any proposed amendment or variation to the Debt Restructuring).

Transfers

From the QGX RSA Effective Date until the date on which the QGX RSA is terminated in accordance with its terms, QGX may not assign or transfer all or any part of the Promissory Notes.

Termination

Under the terms of the QGX RSA, among other things:

- (a) the QGX RSA shall automatically terminate on the earliest of, among others, the following events:
 - (i) 8 May 2017 (or such later date as may be agreed by the Company and QGX);
 - (ii) the Restructuring Effective Date;
 - (iii) the entry of a final non-appealable order by any court of competent jurisdiction making illegal or otherwise preventing the consummation of the Debt Restructuring;
 - (iv) either of the Schemes not being approved by a majority in number representing at least 75% in value of the Noteholders present and voting (either in person or by proxy) at the Scheme meetings;
 - (v) the Cayman Court granting an order declining to sanction the Cayman Scheme and: (i) the Company confirming that it will not appeal such order; or (ii) if an appeal is lodged, the appeal being dismissed and the Cayman Court granting a final order declining to sanction the Cayman Scheme; and

- (vi) the Hong Kong Court granting an order declining to sanction the Hong Kong Scheme and: the Company confirming that it will not appeal such order; or if an appeal is lodged, the appeal being dismissed and the Hong Kong Court granting a final order declining to sanction the Hong Kong Scheme;
- (b) the QGX RSA may be terminated at any time by QGX by the delivery of written notice of termination to the Company upon the occurrence of the following events:
- (i) if a Blocking Creditor provides evidence satisfactory to the Company and the relevant Consenting Noteholder (each acting reasonably) that such Blocking Creditor (x) holds (or advises or manages one or more Scheme Creditor(s) who hold(s)) an aggregate of more than 25% of the Notes; and (y) will oppose the Debt Restructuring and vote against the Schemes in respect of all such Notes;
 - (ii) on the Lenders RSA Longstop Date, unless the Company has, prior to the Lenders RSA Longstop Date, filed a petition with the Cayman Court seeking the sanction of the Cayman Scheme and has filed a Summons and has taken such equivalent actions as is necessary to obtain the sanction by the Hong Kong Court of the Hong Kong Scheme;
 - (iii) if the Company does not comply with any provisions in the QGX RSA in any material respect, unless the failure to comply is capable of remedy and is remedied within five Business Days;
 - (iv) if the Lenders RSA is terminated in accordance with its terms;
 - (v) if the Noteholder RSA is terminated in accordance with its terms; or
 - (vi) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, receiver, administrator or similar officer) by any person or entity in relation to, the winding up, dissolution, administration, receivership or reorganisation of the Company or any Group entity and/or any or all of its or their respective liabilities or any suspension of payments or moratorium of any indebtedness of the Company or any Group entity, or any enforcement steps being taken by any third party (including without limitation, by or at the behest interest of any Party to the QGX RSA) or any analogous procedure or step in any jurisdiction, in each case if likely to materially frustrate the Debt Restructuring;
- (c) the QGX RSA may be terminated at any time with the mutual written consent of the Company and QGX; and
- (d) the QGX RSA may be terminated at any time with by the Company if QGX does not comply with any provisions of the QGX RSA in any material respect, unless the failure to comply is capable of remedy and is remedied within five Business Days of its occurrence.

LENDERS RSA – SUMMARY OF KEY TERMS

Set out below is a non-exhaustive summary of the key terms of the Lenders RSA.

Conditions Precedent

The Lenders RSA shall become effective on the date upon which all the following have occurred (the “**Lenders RSA Effective Date**”):

- (a) the Parties to the Lenders RSA have all signed the Lenders RSA;
- (b) certain Consenting Noteholders have entered into the Noteholder RSA and hold Supporting Notes constituting an aggregate principal amount of at least US\$200,000,000;
- (c) QGX has entered into the QGX RSA with the Company and the JPLs;
- (d) all conditions precedent affecting the effectiveness of the Noteholder RSA and the QGX RSA have been satisfied, with the exception of any condition precedent that requires the Lenders RSA to have become effective in accordance with its terms; and
- (e) the Cayman Court has granted the RSA Sanction Order (which is expected to be obtained pursuant to the RSA Sanction Application).

If the Lenders RSA Effective Date has not occurred on or before 24 December 2016, the provisions of the Lenders RSA shall automatically lapse.

Support by the Obligors and the Lenders

During the period from and including the Lenders RSA Effective Date to and including the date on which the Lenders RSA is terminated (the “**Termination Date**”, and such period the “**Standstill Period**”), each Lender and each Obligor agrees and undertakes to use reasonable endeavours in order to support, facilitate, implement or otherwise give effect to the Debt Restructuring as soon as reasonably practicable by:

- (a) working in good faith with each other Party to the Lenders RSA and their respective advisers to implement the Debt Restructuring as soon as reasonably practicable in a manner consistent with the terms of the Lenders RSA and the Term Sheet;
- (b) entering into negotiations in good faith in order to agree the terms of the Restructuring Documents; and
- (c) not taking, encouraging, assisting or supporting (or procuring that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, breach or be inconsistent with the Lenders RSA or frustrate, delay, impede or prevent the implementation of the Debt Restructuring.

During the Standstill Period no Lender shall provide direction or instructions to Roderick Sutton, John Batchelor and Kenneth Fung in their capacity as the receivers and managers of all of the shares of Mongolian Coal Corporation Limited and in their capacity as delegates in respect of the shares of Mongolian Coal Corporation S.à.r.l. to act in any way which may be detrimental to the Debt Restructuring.

Further Undertakings of the Lenders

Each Lender represents and warrants, severally and not jointly, to the Company that as at the date of the Lenders RSA it is the beneficial owner of the principal amount of all amounts outstanding from time to time under the Finance Documents (as defined in the Facilities Agreement) (the “**Debt**”) set forth on its signature page to the Lenders RSA and it will be eligible to receive any securities to be distributed pursuant to the terms of the Lenders RSA.

Notwithstanding the provisions of the Facilities Agreement, during the Standstill Period, no Lender may assign or transfer or sub-participate (or enter into any other transaction with a similar economic effect) all or any part of its Debt under any Finance Document or any of its rights under the Lenders RSA to any person unless that person is either:

- (a) already a Party to the Lenders RSA; or
- (b) has agreed to be (and is at the date of the assignment or transfer or sub-participation (or other transaction with a similar economic effect)) bound by the terms of the Lenders RSA.

Any purported assignment or transfer or sub-participation not in accordance with the terms of the Lenders RSA will be void *ab initio*.

Undertakings of the Obligors

The Company and each Obligor undertakes, among others, that, during the Standstill Period, they shall take all actions reasonably necessary in order to support, facilitate, implement or otherwise give effect to the Debt Restructuring as soon as reasonably practicable. A non-exhaustive list of actions is listed in the Lenders RSA.

In addition, during the Standstill Period, no Obligor shall (and the Company shall procure that no member of the Group will), without the prior written consent of the Majority Lenders (as defined in the Facilities Agreement):

- (a) take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would reasonably be expected to, frustrate, delay, impede or prevent the implementation of the Schemes, or the Debt Restructuring or which is inconsistent with the Lenders RSA or the Term Sheet;
- (b) assign or transfer any of its rights and interests in respect of, or declare or create any trust of any of its rights, interests or benefits in respect of, the Lenders RSA;
- (c) take or consent to the taking of any action which supports or favours any proposed composition, compromise, assignment or arrangement with any creditor of the Company or the Group other than pursuant to the implementation of the Debt Restructuring or the Lenders RSA; or
- (d) amend the Noteholder RSA or the QGX RSA, agree any termination of the Noteholder RSA or the QGX RSA, or grant any waiver thereunder.

Termination

Under the terms of the Lenders RSA, among other things:

- (a) the Lenders RSA shall automatically terminate on the earlier of:
 - (i) the Restructuring Effective Date;
 - (ii) a termination of the QGX RSA by any Party to the QGX RSA; and
 - (iii) a termination of the Noteholder RSA by any Party to the Noteholder RSA pursuant to certain clauses of the Noteholder RSA.
- (b) the Lenders RSA may be terminated by mutual consent between the Company and all the Lenders;
- (c) the Lenders RSA may be terminated by the Company if any Lender does not comply with any provisions in the Lenders RSA in any material respect, unless the failure to comply is capable of remedy and is remedied within five Lenders RSA Business Days (which means a day (other than a Saturday or a Sunday) when banks in Hong Kong and Beijing are open for business) of its occurrence; and
- (d) the Lenders RSA may be terminated with respect to a Lender's obligations under the Lenders RSA with immediate effect by written notice to the Company and the JPLs by email to each of the JPLs and the Company to each email address as set out above by such Lender upon the occurrence of any of the following events:
 - (i) if any person petitions, applies or votes for, or supports any insolvency proceeding against the Company or any member of the Group;
 - (ii) on 17 February 2017 or such later date as may be notified in writing to the Company by the Lenders (the "**Lenders RSA Longstop Date**"), *unless* the Company has, prior to the Lenders RSA Longstop Date, filed a petition with the Cayman Court seeking the sanction of the Cayman Scheme and has filed a Summons, and has taken such equivalent actions as is necessary to obtain the sanction by the Hong Kong Court of the Hong Kong Scheme;
 - (iii) if any Blocking Creditor provides evidence satisfactory to such Lender that such Blocking Creditor: (1) holds (or advises or manages one or more Noteholder who hold(s)) an aggregate of more than 25% of the Notes; and (2) will oppose the Debt Restructuring and vote against the Schemes in respect of Notes constituting an aggregate of more than 25% of the Notes;
 - (iv) if any Blocking Creditor takes, encourages, assists or supports (or procures that any other person takes, encourages, assists or supports) any action which, in the opinion of such Lender (acting reasonably) would, or would reasonably be expected to, breach or be inconsistent with the Noteholder RSA or frustrate, delay, impede or prevent the implementation of the Debt Restructuring;

- (v) if any Blocking Creditor encourages, procures, proposes or otherwise supports any alternative proposal or offer from any person in respect of a restructuring of the financial indebtedness of the Company other than the Debt Restructuring as contemplated by the Term Sheet;
- (vi) if by 4:00 p.m. New York time on 20 January 2017 (or such later date as may be agreed between the Company and the Majority Lenders), Noteholders who have entered into the Noteholder RSA do not hold Supporting Notes constituting an aggregate of 50% or more of the principal amount of the Notes;
- (vii) there is a breach of either the Noteholder RSA or the QGX RSA;
- (viii) if any member of the Group does not comply with any provisions in the Lenders RSA in any material respect, unless the failure to comply is capable of remedy and is remedied within five Lenders RSA Business Days of its occurrence;
- (ix) if an event occurs which has a material adverse effect;
- (x) the entry of a final non-appealable order by any court of competent jurisdiction or other competent governmental or regulatory authority making illegal or otherwise preventing, prohibiting or materially restricting the consummation of the Debt Restructuring;
- (xi) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, receiver, administrator or similar officer) by any person in relation to, the winding up, dissolution, administration, receivership or reorganisation of the Company or any Group entity and/or any or all of its or their respective liabilities or any suspension of payments or moratorium of any indebtedness of the Company or any Group entity, or any enforcement steps being taken by any third party (including without limitation, by or at the behest of any Party to the Lenders RSA) or any analogous procedure or step in any jurisdiction, in each case if likely to materially frustrate the Debt Restructuring;
- (xii) either of the Schemes not being approved by a majority in number representing at least 75% in value of the Noteholders present and voting (either in person or by proxy) at the scheme meetings;
- (xiii) the Cayman Court granting an order declining to sanction the Cayman Scheme and: (1) the Company confirming within three Lenders RSA Business Days of being requested by any Party to the Lenders RSA that it will not appeal such order; or (2) if an appeal is lodged, the appeal being dismissed and the Cayman Court granting a final order declining to sanction the Cayman Scheme;
- (xiv) the Hong Kong Court granting an order declining to sanction the Hong Kong Scheme and: (1) the Company confirming within three Lenders RSA Business Days of being requested by any party that it will not appeal such order; or (2) if an appeal is lodged, the appeal being dismissed and the Hong Kong Court granting a final order declining to sanction the Hong Kong Scheme; or
- (xv) a termination of the Noteholder RSA by individual Consenting Noteholders.

The Lenders RSA will cease to have any effect on the Termination Date, save for some provisions specified in the Lenders RSA which shall remain in full force and effect, and save in respect of breaches which occurred prior to termination.

Consent Fee

The Company shall pay each Lender a fee equal to 1.0% of the aggregate principal amount of Debt in which it has a beneficial economic interest as principal, due and payable:

- (a) on the Lenders RSA Effective Date (or if the Lenders RSA Effective Date is not a Lenders RSA Business Day, the immediately following Lenders RSA Business Day), 0.25% payable in cash; and
- (b) on the Restructuring Effective Date, 0.50% payable in cash and 0.25% payable as additional principal amount in New Senior Secured Notes.

FURTHER ANNOUNCEMENTS

The Company will publish further announcements to update the shareholders and potential investors on the progress of the Debt Restructuring as and when necessary. The Company will comply with the Listing Rules if and when it enters into any binding agreement with its creditors.

For and on behalf of the Board
Mongolian Mining Corporation
(In Provisional Liquidation)
Christopher So Man Chun
Joint Provisional Liquidator
who acts without personal liability

Hong Kong, 21 December 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.