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MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

PROFIT WARNING

This announcement is made by Mongolian Mining Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 12 April 2021, 19 July 2021, 22 October 2021, and 21 January 2022 (collectively, the “**Quarterly Update Announcements**”) in relation to the operational update for the quarters ended 31 March 2021, 30 June 2021, 30 September 2021, and 31 December 2021, respectively.

During the year ended 31 December 2021, coal export shipments from Mongolia to China were significantly impacted by reduced cross border throughput at the Sino-Mongolian border, including Gashuunsukhait-Ganqimaodu checkpoint, due to temporary limitations imposed by the Chinese authorities after increase of COVID-19 infection cases in Mongolia.

As disclosed in the Quarterly Update Announcements, the Group’s washed coking coal sales tonnages for the quarters ended 31 March 2021, 30 June 2021, 30 September 2021, and 31 December 2021 declined by 4%, 87%, 90% and 55% on a year-on-year basis, respectively.

The above-mentioned factors have impacted the Group’s financial results for the year ended 31 December 2021 and the board of directors (the “**Board**”) of the Company has been closely monitoring the impact of the developments on the Group’s businesses and has put in place contingency measures, such as temporary adjustment to levels of production and rebalancing its working capital needs. Moreover, the Group placed high priority on liquidity and maintained solid cash position by pre-selling certain portion of its existing washed coking coal inventory cumulated at the Sino-Mongolian border to collect advance payments from its customers.

The Board wishes to inform the shareholders and potential investors of the Company that after a preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2021 and information currently available, the Group is expected to record a consolidated net loss of up to USD55.0 million (excluding any extraordinary items) for the year ended 31 December 2021 as compared to a consolidated net profit of USD29.6 million recorded for the year ended 31 December 2020.

The Group remained fully committed to the well-being of its employees and their families by maintaining strict health and safety protocols and work-place hygiene procedures recommended by relevant authorities. The Group successfully enrolled its employees under the immunisation program initiated by the Government of Mongolia. According to data compiled by the Group, more than 93% of its staff have been administered a third dose of COVID-19 vaccine as at 31 December 2021.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2021. The information contained in this announcement is based on a preliminary assessment by the Board solely on the basis of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and the current information available, which have not yet been reviewed, confirmed nor audited by the independent external auditors or the audit committee of the Company, and may be subject to adjustments.

Further details of the Group's performance will be disclosed in the annual results announcement for the year ended 31 December 2021 to be published by the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 March 2022

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, Mr. Od Jambaljamts, Ms. Enkhtuvshin Gombo and Mr. Myagmarjav Ganbyamba, 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.