
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mongolian Mining Corporation (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**MONGOLIAN MINING CORPORATION**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at Admiralty and The Peak Rooms, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 9 June 2020 at 2:00 p.m. is set out in this circular.

Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy for use at the annual general meeting in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the annual general meeting (i.e. not later than 2:00 p.m. on Sunday, 7 June 2020) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.mmc.mn).

* *References to time and dates in this circular are to Hong Kong time and dates*

23 April 2020

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Admiralty and The Peak Rooms, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 9 June 2020 at 2:00 p.m. or any adjournment thereof
“AGM Notice”	the notice convening the AGM as set out on pages 15 to 18 of this circular
“Articles of Association”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Close Associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Companies Law”	the Companies Law of the Cayman Islands, as amended from time to time
“Company”	Mongolian Mining Corporation (Stock code: 975), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Core Connected Person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution

DEFINITIONS

“Latest Practicable Date”	17 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to repurchase, on the Stock Exchange or any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of US\$0.10 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

Executive Directors:

Mr. Odjargal Jambaljamts (*Chairman*)
Dr. Battsengel Gotov (*Chief Executive Officer*)

Non-Executive Directors:

Mr. Od Jambaljamts
Ms. Enkhtuvshin Gombo
Mr. Enkhtuvshin Dashtseren

Independent Non-Executive Directors:

Dr. Khashchuluun Chuluundorj
Mr. Unenbat Jigjid
Mr. Chan Tze Ching, Ignatius

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

23 April 2020

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding certain resolutions to be proposed at the AGM. These resolutions include, among others, (i) the re-election of the retiring Directors; and (ii) the granting to the Directors of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate. The resolutions will be proposed at the AGM and are set out in the AGM Notice as contained in this circular.

2. RE-ELECTION OF RETIRING DIRECTORS

In relation to resolutions number 2 to 4 as set out in the AGM Notice, Mr. Enkhtuvshin Dashtseren will retire from the office as non-executive Director, and Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius will retire from the offices as independent non-executive Directors at the AGM in accordance with Article 84(1) of the Articles of Association. All the retiring Directors, being eligible, will offer themselves for re-election.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius have been serving as independent non-executive Directors of the Company for more than 9 years from the date of their first appointment on 16 September 2010. Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Procedures and the Company's corporate strategy, and the independence of all independent non-executive Directors.

The Nomination Committee has also reviewed and confirmed that Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius continue to be independent after taking into consideration the following factors:

- (a) Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius have in-depth understanding of the Company's operations and business and also have provided very valuable contributions to the Board through their integrity, objectivity and professionalism notwithstanding the years of service.
- (b) Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius have expressed their objective and independent views on issues of the Company during their years of service.
- (c) Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius have demonstrated their commitment in discharge of their directors' duties through active participation on the Board during the years of service.

The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius at the AGM. The Board considers that each of the retiring independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. Besides, notwithstanding Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius's years of service as independent non-executive Directors of the Company, the Board is of the view that they are able to continue to fulfill their roles as required and the Board considers that the re-election of Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius as independent non-executive Directors are in the best interest of the Company and the Shareholders as a whole.

Biographical details of the above retiring Directors which are required to be disclosed pursuant to the Listing Rules are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. THE ISSUE MANDATE

On 30 May 2019, an ordinary resolution was passed to grant to the Directors the Issue Mandate to issue Shares and to extend the Issue Mandate to include Shares repurchased under the Repurchase Mandate. The Issue Mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to issue Shares if and when appropriate, it is proposed to renew the Issue Mandate at the AGM.

At the AGM, an ordinary resolution as set out in resolution number 7 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Issue Mandate to allot, issue and deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, the number of Shares in issue were 1,029,176,786. Subject to the passing of the relevant resolution, the Directors will be authorised to issue up to 205,835,357 additional Shares on the basis that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of AGM.

The Issue Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

4. THE REPURCHASE MANDATE

On 30 May 2019, an ordinary resolution was passed to grant to the Directors a general mandate to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to repurchase Shares if and when appropriate, it is proposed to renew the Repurchase Mandate at the AGM.

At the AGM, an ordinary resolution as set out in resolution number 8 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors the Repurchase Mandate to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed subject to the criteria set out in this circular, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution, i.e. up to 102,917,678 Shares on the basis that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of AGM.

The Repurchase Mandate allows the Company to make repurchases only during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or (ii) the expiration of the period within which the

LETTER FROM THE BOARD

next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

An explanatory statement containing relevant information relating to the Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in Appendix II to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

5. EXTENSION OF THE ISSUE MANDATE

At the AGM, an ordinary resolution as set out in resolution number 9 of the AGM Notice will be proposed to the Shareholders to consider and, if thought fit, that the Issue Mandate be extended by the addition to the number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

6. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 15 to 18 of this circular to consider the resolutions relating to, inter-alia, the re-election of the retiring Directors, the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate.

7. ACTIONS TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular and published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.mmc.mn). Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the AGM (i.e. not later than 2:00 p.m. on Sunday, 7 June 2020) or the adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked.

8. VOTING BY POLL

Pursuant to Article 66 of the Articles of Association, resolutions put to the vote at the AGM shall be decided by way of poll. The results of the poll shall be deemed to be the resolutions of the general meeting and the poll results will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.mmc.mn).

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors consider that the re-election of the retiring Directors and the proposed granting to the Directors of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice.

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

NON-EXECUTIVE DIRECTOR

Mr. Enkhtuvshin DASHTSEREN, aged 44, is a non-executive Director of the Company. Mr. Enkhtuvshin was appointed as a non-executive Director of the Company on 4 January 2018. He is also a member of the Environmental, Social and Governance Committee. Mr. Enkhtuvshin is the vice president of MCS Holding LLC, a controlling shareholder of the Company. Mr. Enkhtuvshin joined the MCS Group in 1997 as a financial manager of MCS International LLC, and was appointed as the chief financial officer and vice president of the Finance Department of MCS Group in 2002. Mr. Enkhtuvshin was subsequently appointed as the vice president of Corporate Strategy of MCS Group in 2005. Mr. Enkhtuvshin served as the executive vice president of the Sales and Marketing Department of the Company from 2008 to 2014 and as advisor to the Chairman of the Board until his departure in 2016. During his past tenure with the Company, Mr. Enkhtuvshin had a broad scope of responsibilities in strategic market planning, business development, sales forecasting, marketing, pricing and training of sales personnel. Mr. Enkhtuvshin was the senior sales executive and key person for the sales and marketing of the coal mined at the Ukhaa Khudag mine developed by the Company. He was instrumental in developing an extensive marketing strategy and research for potential coal markets with major focus on the Chinese market. Mr. Enkhtuvshin was awarded a bachelor's degree in Finance and Management by the National University of Mongolia in 1997 and also studied at the London Metropolitan University in London, United Kingdom.

Save as disclosed above, Mr. Enkhtuvshin did not hold any other position with the Company or other members of the Group. Mr. Enkhtuvshin did not hold any other directorship in the public listed companies in Hong Kong or overseas in the last three years.

Mr. Enkhtuvshin has entered into a letter of appointment with the Company under which he has agreed to act as non-executive Director for a term of three years effective from 4 January 2018. Mr. Enkhtuvshin is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Mr. Enkhtuvshin is entitled to receive a director's fee of HK\$150,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and prevailing market condition.

As at the Latest Practicable Date, Mr. Enkhtuvshin was deemed to be interested in 60,000 Shares and also interested in 514,705 underlying Shares in respect of share options granted to him under the share option scheme of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Enkhtuvshin does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Enkhtuvshin that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Unenbat JIGJID, aged 57, is an independent non-executive Director of the Company. Mr. Unenbat was appointed as an independent non-executive Director of the Company on 16 September 2010. Mr. Unenbat is the Chairman of the Environmental, Social and Governance Committee and member of the Audit Committee, Nomination Committee and Remuneration Committee. From 1990 to 2000, Mr. Unenbat held various positions in the Bank of Mongolia, including economist, senior economist, director of the monetary policy department and governor. During the period from 2000 to 2006, Mr. Unenbat was the executive director of the Mongolian Bankers Association. He was a director of Resources Investment Capital from October 2010 to November 2013. Mr. Unenbat has been an executive director of the Corporate Governance Development Center in Mongolia since 2009 and was appointed as the Head of the Center on 30 March 2015. He is also a member of the board of Micro Finance Development Fund. He was a member of the supervisory board of the Bank of Mongolia for the period from January 2004 to January 2019. From October 2010 to present, Mr. Unenbat has been serving as a director of Golomt Bank. He also has been the board member of Open Society Forum in Mongolia since March 2011. On 26 April 2013, Mr. Unenbat was appointed as an independent non-executive director of APU JSC, a company listed on the Mongolian Stock Exchange. During the period from April 2015 to April 2019, Mr. Unenbat was a non-executive director of Mongolia Telecom JSC, a company listed on the Mongolian Stock Exchange. On 6 November 2015, Mr. Unenbat was appointed as the executive director and secretary general of the Mongolian Bankers Association. Mr. Unenbat was awarded a master's degree in economics by the Moscow Institute of Economics and Statistics, Russia, and a master's degree in international affairs by Columbia University, United States.

Save as disclosed above, Mr. Unenbat did not hold any other position with the Company or other members of the Group. Mr. Unenbat did not hold any other directorship in the public listed companies in Hong Kong or overseas in the last three years.

Mr. Unenbat has entered into a letter of appointment with the Company under which he has agreed to act as independent non-executive Director for a term of three years effective from 12 October 2019. Mr. Unenbat is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Mr. Unenbat is entitled to receive a director's fee of HK\$150,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and prevailing market condition.

As at the Latest Practicable Date, Mr. Unenbat did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Unenbat does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Unenbat that need to be brought to the attention of the Shareholders.

Mr. CHAN Tze Ching, Ignatius, aged 63, is an independent non-executive Director of the Company. Mr. Chan was appointed as an independent non-executive Director of the Company on 16 September 2010. He is the Chairman of the Audit Committee and member of the Environmental, Social and Governance Committee. From 1980 to 2007, Mr. Chan held various positions in Citigroup, including management associate, country treasurer and head of sales and trading, head of corporate banking business for Hong Kong, country officer for Taiwan, chief operating officer for Greater China, country officer for Hong Kong and head of corporate and investment banking business for Greater China. Mr. Chan was appointed as a member of the board of directors of the Community Chest of Hong Kong in September 1999 and was re-appointed on 19 June 2017. From 28 November 2012 to 20 June 2014, Mr. Chan was appointed as an independent non-executive director of Larry Jewelry International Company Limited, the shares of which are listed on the Stock Exchange. From 1 March 2011 to 19 June 2016, Mr. Chan was appointed as a member of the Sponsorship and Development Fund of The Open University of Hong Kong. He was appointed as the deputy chief executive of the Bank of China (Hong Kong) Limited in 2008, senior advisor of The Bank of East Asia Limited in March 2009, member of the Council of Hong Kong Red Cross in April 2010, senior advisor of CVC Capital Partners Limited in November 2010. He was a member of the Hong Kong Tourism Board from 1 April 2013 to 31 March 2019, Deputy Chairman of the Council of the Hong Kong Polytechnic University from April 2014 to December 2015 and was the Chairman of the Council from 1 January 2016 to 31 December 2018. He was re-appointed as a member of the Council of Hong Kong Red Cross on 18 November 2016. He was a member of the Executive Committee of the Investor Education Centre (IEC) of the Securities and Futures Commission from 19 October 2012 to 30 November 2018. Mr. Chan was appointed as Board Adviser of Hong Kong New Territories General Chamber of Commerce on 28 May 2013. He was also an Honorary Advisory Vice President of The Hong Kong Institute of Bankers from 14 February 2011 to 31 December 2018. Mr. Chan was appointed as a member of the Standing Commission on Civil Service Salaries and Conditions of Service of the Government of the Hong Kong Special Administrative Region from 1 January 2014 to 31 December 2015 and was re-appointed on 1 January 2017 to 31 December 2019. Mr. Chan was appointed as a member of the Financial Reporting Council (FRC) on 1 December 2014 and was re-appointed on 1 December 2016. He was appointed as a member of the Standing Committee on Judicial Salaries and Conditions of Service on 1 January 2017. Mr. Chan is a member of the Disciplinary Appeals Committee of the Hong Kong Securities Clearing Company Limited from 11 December 2009 and appointed as an independent non-executive director of Hong Kong Exchanges and Clearing Limited from 23 April 2009 and was re-appointed on 24 April 2015, the shares of which are listed on the Stock Exchange. Mr. Chan was appointed as a non-executive director of Rizal Commercial Banking Corporation (RCBC) from 28 November 2011 to 24 June 2019, the shares of which are listed on the Philippines Stock Exchange. He was appointed as a non-independent non-executive director of Affin Holdings Berhad from 6

August 2013 and was re-appointed on 6 August 2016, the shares of which are listed on Bursa Malaysia. Affin Holdings Berhad's listing on the Malaysian stock exchange was replaced by Affin Bank Berhad on 2 February 2018. He was appointed as a non-independent non-executive director of Affin Bank Berhad on 1 December 2017, the shares of which are listed on Bursa Malaysia on 2 February 2018. He was also appointed as a chairman of PRASAC Microfinance Institution on 14 March 2017. Mr. Chan was awarded the bachelor's and master's degrees in business administration by the University of Hawaii, United States, and is a Certified Public Accountant with the American Institute of Certified Public Accountants.

Save as disclosed above, Mr. Chan did not hold any other position with the Company or other members of the Group. Mr. Chan did not hold any other directorship in the public listed companies in Hong Kong or overseas in the last three years.

Mr. Chan has entered into a letter of appointment with the Company under which he has agreed to act as independent non-executive Director for a term of three years effective from 12 October 2019. Mr. Chan is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Mr. Chan is entitled to receive a director's fee of HK\$150,000 per annum which is determined by the Board with reference to his duties and responsibility with the Company, the Company's performance and prevailing market condition. Mr. Chan is also entitled to receive an additional remuneration of HK\$300,000 for acting as the chairman of the Audit Committee of the Company.

As at the Latest Practicable Date, Mr. Chan was deemed to be interested in 200,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Chan does not have any relationship with any of the Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,029,176,786 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase up to 102,917,678 Shares, being 10% of the total number of issued shares of the Company as at the date of the AGM, during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's Memorandum of Association and Articles of Association and the applicable laws of the Cayman Islands.

4. IMPACT OF REPURCHASES

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2019) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which, in the opinion of the Board, are from time to time appropriate for the Company.

5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date:

Month	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
2019		
April	1.520*	1.390*
May	1.470*	1.190*
June	1.200*	0.900*
July	1.170*	0.930*
August	1.070	0.800
September	1.200	0.840
October	0.900	0.730
November	0.790	0.710
December	0.740	0.640
2020		
January	0.680	0.495
February	0.650	0.370
March	0.475	0.290
April (<i>up to the Latest Practicable Date</i>)	0.435	0.370

* The prices have been adjusted due to share consolidation of the Company completed in August 2019.

6. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Close Associates, has any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Company has not been notified by any Core Connected Person of the Company that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

7. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Odjargal Jambaljamts and Mr. Od Jambaljamts, Directors, and four other individuals who are altogether taken as parties acting in concert were interested in 401,748,793 Shares, representing approximately 39.04% of the issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, and assuming that there is no change in the issued share capital of the Company and the shareholdings of the parties above mentioned, the percentage shareholdings of the parties above mentioned would be increased to approximately 43.37% of the issued share capital of the Company, thus giving rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 22.3%, the lower public float percentage accepted by the Stock Exchange. The Directors have no intention to repurchase Shares to such extent which would result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code or result in the aggregate number of Shares held by the public shareholders falling below the lower prescribed percentage required by the Stock Exchange.

Save as disclosed above, the Directors are not aware of any other consequence which would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

8. SHARE REPURCHASE BY THE COMPANY

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, during the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



MONGOLIAN MINING CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Mongolian Mining Corporation (the “Company”) will be held at Admiralty and The Peak Rooms, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 9 June 2020 at 2:00 p.m. for the following purposes:

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditor for the year ended 31 December 2019.
2. To re-elect Mr. Enkhtuvshin Dashtseren as non-executive director of the Company.
3. To re-elect Mr. Unenbat Jigjid as independent non-executive director of the Company.
4. To re-elect Mr. Chan Tze Ching, Ignatius as independent non-executive director of the Company.
5. To authorise the board (the “Board”) of directors (the “Directors”) of the Company to fix the remuneration of the Directors.
6. To re-appoint KPMG as auditor of the Company and to authorise the Board to fix their remuneration.
7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme by the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 8 To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and

NOTICE OF ANNUAL GENERAL MEETING

unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

- (b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 7 and 8 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 7 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 8 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

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

Hong Kong, 23 April 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) A member entitled to attend and vote at the Meeting may appoint a proxy or, if holding two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting (i.e. not later than 2:00 p.m. on Sunday, 7 June 2020) or the adjourned meeting (as the case may be).
- (c) For determining the entitlement to attend and vote at the Meeting, the Register of Members will be closed from Thursday, 4 June 2020 to Tuesday, 9 June 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 June 2020.
- (d) In relation to resolutions 2 to 4 above, Mr. Enkhtuvshin Dashtseren, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius will retire from their offices of Directors at the Meeting and, being eligible, offer themselves for re-election. Details of the Directors to be offered for re-election are set out in Appendix I to the circular for the Meeting.
- (e) If typhoon signal number 8 or above remains hoisted or a black rainstorm warning signal is in force at 9:00 a.m. on the date of the Meeting, the Meeting will be postponed. Shareholders are requested to visit the website of the Company at www.mmc.mn for details of alternative meeting arrangements. The Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the Meeting under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.
- (f) References to time and dates in this notice are to Hong Kong time and dates.